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United States International
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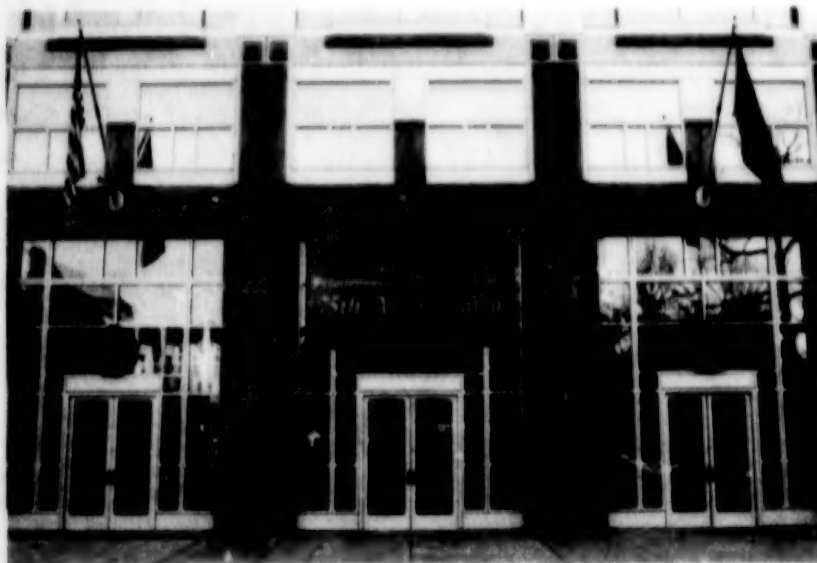


UNITED STATES
INTERNATIONAL
TRADE COMMISSION

Commissioners:

Anne E. Brunsdale, Vice Chairman and Acting Chairman
Seeley G. Lodwick
David B. Rohr
Don E. Newquist

HISTORY OF THE U.S. INTERNATIONAL TRADE COMMISSION



The history of the U.S. International Trade Commission since its inception in 1916 as the U.S. Tariff Commission reflects in many respects the history of U.S. trade policy and world trade developments since that time. In his request to Congress for the creation of a commission, President Woodrow Wilson envisioned a commission "as much as possible free from any strong prepossession in favor of any political policy and capable of looking at the whole economic situation of the country with a dispassionate and disinterested scrutiny." The U.S. Tariff Commission was established at a time of relatively high tariffs when the tariff was still a primary source of Federal revenue. Its creation had been advocated by both major political parties and by leading business groups and academics for the purpose of bringing scientific analysis to the tariff and other trade and customs matters.

The Commission has always been a factfinding and advisory body, rather than a policymaking body, following the course advocated by Harvard economist and tariff expert (and later the first Commission Chairman) Frank W. Taussig.

The Commission commenced operations in a building on New York Avenue NW. in 1921, just days before the United States entered World War I. In 1921, it moved to 7th and E Streets NW., to the historic, neoclassic Old Land Office Building. It moved to its present home at 500 E Street SW. in early 1988.

The Commission's initial responsibilities were similar to those found in the present version of section 332 of the Tariff Act of 1930. The Commission was to investigate the administration of customs laws and their fiscal and industrial effects and conduct such investigations as requested by the President, the House Committee on Ways and Means, and the Senate Committee on Finance. The initial legislation also included authority for conducting investigations with respect to "conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping" It was under this authority that the Commission, in October 1919, sent to the Committee on Ways and Means, at the committee's request, a report entitled *Dumping and Other Unfair Foreign Competition in the United States and Canada's Anti-Dumping Law*.

As a result, in part because of the Commission's suggestions in this report, Congress enacted the Antidumping Act of 1921, which in general concept is similar to the current U.S. anti-dumping law, and enacted the Tariff Act of 1922, the forerunner of present section 337 of the Tariff Act of 1930, which addresses unfair import practices. However, the bulk of the Commission's early work focused on investigations related to recommendations to the President on tariff rates under flexible-tariff legislation and preparation of tariff information

surveys. One of these surveys, on the synthetic organic chemicals industry, has been prepared annually since 1917 and is now required by statute.

The role of the Commission changed somewhat in the 1930s with the passage of the Tariff Act of 1930 (the Smoot-Hawley tariff act) followed by the Trade Agreements Act of 1934. The 1930 act, known historically for its high tariff rates, incorporated a whole new "scientific" tariff classification system based largely on Commission work performed in the late 1920s. The 1930 tariff classification system remained in place until 1963. The Commission also acquired a new investigative responsibility in 1935 when Congress amended the

Agricultural Adjustment Act of 1933 to provide for Commission investigations and advice to the President, under new section 22, regarding import interference with U.S. Department of Agriculture support programs.

The Trade Agreements Act, among other things, authorized the President to reduce U.S. tariff rates, contingent upon receiving reciprocal reductions from other countries. The act also required the President to "seek information and advice" from the Commission. The Commission conducted public hearings regarding products that might be the subject of tariff concessions and was a principal informational resource and active participant in a series of bilateral negotiations leading to 29 bilateral trade agreements between 1934 and 1947.

After World War II, the Commission's role in trade matters evolved further through the 1947 GATT negotiations. The Commission was requested to provide a series of digests on all the products that might be subject to concessions and was given new investigative responsibilities. The Commission was directed to conduct "escape clause" investigations (as outlined in article XIX of the GATT) to determine whether, as a result of trade agreement concessions, increased imports were causing or threatening serious injury to a domestic industry. This authority was the forerunner of present section 201 of the Trade Act of 1974.

The Commission was also directed to conduct "peril point" investigations to determine whether a domestic industry would be seriously injured or threatened if a concession were made on a product. The peril point provision, which was substantially modified by the Trade Expansion Act of 1962 and now appears in section 131 of the Trade Act of 1974, requires the Commission to provide the President with "probable economic effect" advice prior to the President's entering negotiations. In 1954, the Commission's investigative authority was further expanded to include the task of making injury determinations in antidumping investigations when that authority was transferred to the Commission from the Department of the Treasury.

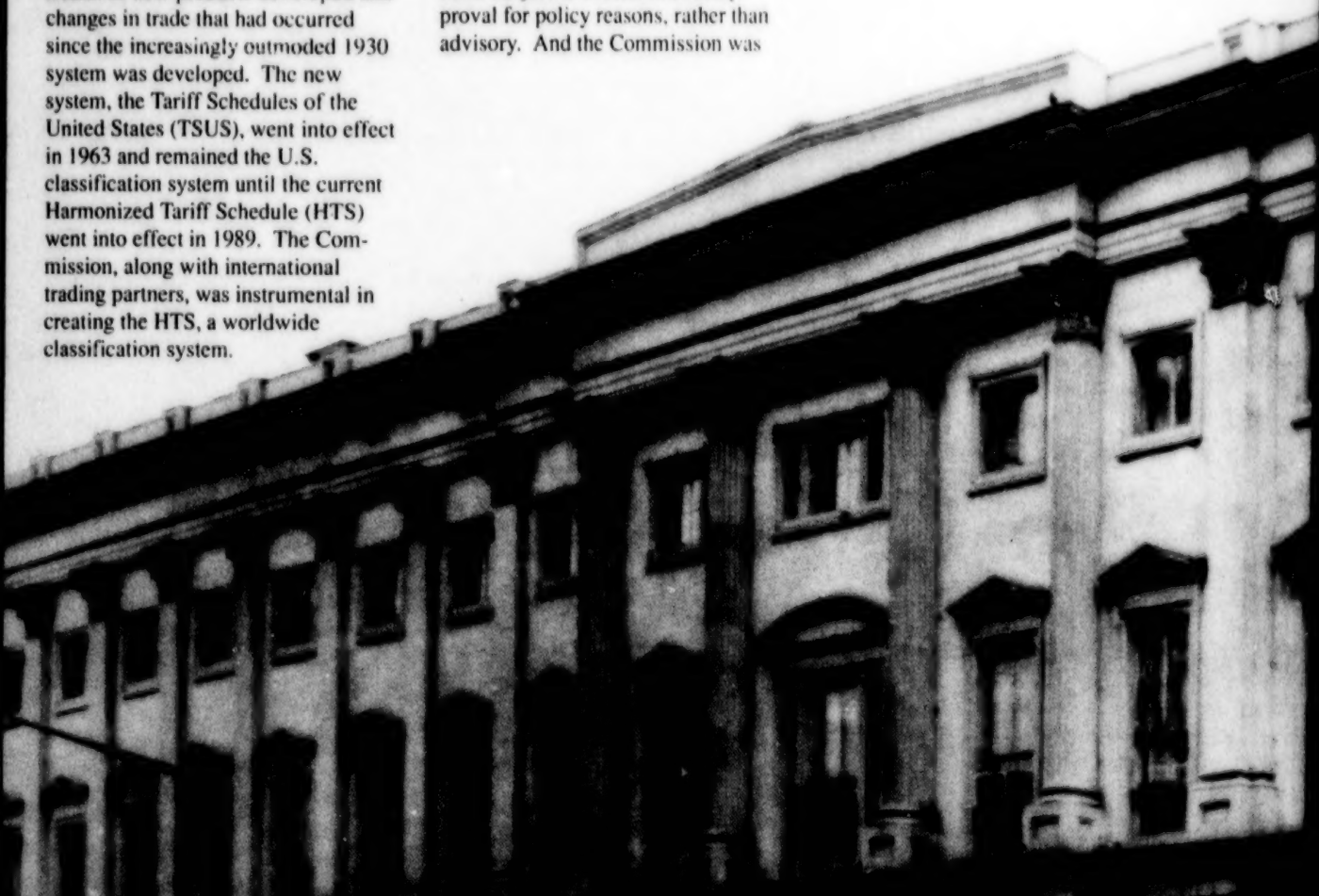
In the late 1950s, the Commission undertook, at Congressional direction, the massive task of developing a new tariff classification system to reflect the wealth of new products developed and changes in trade that had occurred since the increasingly outmoded 1930 system was developed. The new system, the Tariff Schedules of the United States (TSUS), went into effect in 1963 and remained the U.S. classification system until the current Harmonized Tariff Schedule (HTS) went into effect in 1989. The Commission, along with international trading partners, was instrumental in creating the HTS, a worldwide classification system.

The Trade Act of 1974 brought a new name and a surge in activity to the Commission. The United States Tariff Commission was renamed the United States International Trade Commission to reflect the change in its role over the years. The 1974 act also rewrote and liberalized the escape clause law eligibility test by, among other things, dropping the requirement that there be a link between increased imports and trade agreement concessions. In the first five years that the new section 201 provision was in effect, 44 petitions were filed, nearly twice the number that had been filed in the 12 years that the 1962 provision had been in effect.

Also, section 337 of the Tariff Act of 1930 was substantially amended by the 1974 act. Commission proceedings were made more formal and adjudicatory in nature, requiring them to conform with the Administrative Procedure Act. Commission determinations were made final, making them subject to Presidential disapproval for policy reasons, rather than advisory. And the Commission was

authorized to issue cease and desist orders in addition to exclusion orders. Although only about 80 petitions were filed during 1930-74, more than 330 have been filed since 1975, with many involving very complex patent and other intellectual property matters.

The Trade Agreements Act of 1979, which substantially amended the U.S. antidumping and countervailing duty laws, brought another surge of activity to the Commission. New antidumping and countervailing duty codes had been negotiated as part of the GATT Tokyo Round of trade negotiations, which were concluded in June 1979. The codes established certain tests and procedures that countries signing the codes were obligated to follow. The 1979 act established a new title VII of the Tariff Act of 1930. The new title VII set out new U.S. antidumping and countervailing duty laws consistent



with code obligations. In separate legislation, the Department of the Treasury's functions in dumping and countervailing duty investigations were transferred to the Department of Commerce.

U.S. trade laws were again significantly amended by the Omnibus Trade and Competitiveness Act of 1988. The 1988 act rewrote section 201 to provide, among other things, a greater emphasis on industry adjustment during the relief period. It also granted the President a new mandate for entering into trade negotiations. U.S. participation in the Uruguay Round and in the free-trade agreement negotiations with Mexico and Canada has been pursuant to that mandate.

The Commission in recent years has prepared a series of reports on the effects of the European Community's 1992 program.

During the last 20 years, Congress has amended the Commission's authorization statute on several occasions to strengthen the agency's independence. Congress has (1) authorized the Commission to go into court on its own behalf, (2) placed the Commission's budget outside the control of the Office of Management and Budget, and (3) established a

system of rotating the chairmanship. The Commission continues to perform its traditional role of monitoring trade developments and providing information and advice, upon request, to Congress.



United States
International Trade Commission
1916-1991

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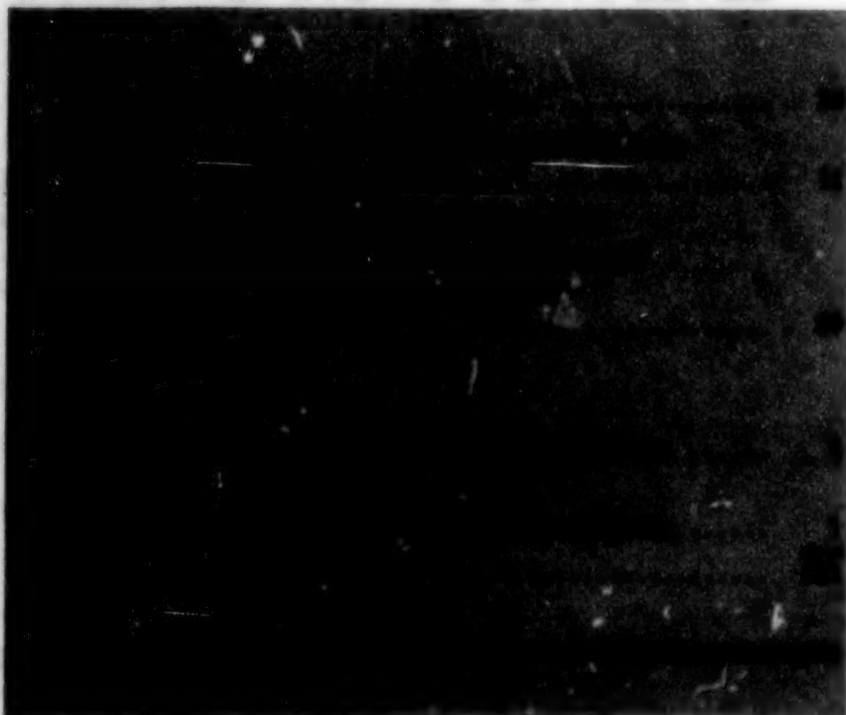
THE COMMISSION

The United States International Trade Commission is a quasi-judicial, independent, and bipartisan agency established by Congress with broad investigative powers on matters of trade. In its adjudicative role, the Commission makes determinations of injury or threat of injury to U.S. industries by imports. As the Government's think tank on trade, the Commission is a national resource that conducts research on trade-related issues and gathers and analyzes trade data. That information is provided to the President and Congress as part of the information on which U.S. trade policy is based.

Commission activities include —

- Making recommendations to the President regarding relief for industries seriously injured by increasing imports;
- Determining whether U.S. industries are materially injured by imports that benefit from pricing below fair value or from subsidization;
- Directing actions, subject to Presidential disapproval, against unfair trade practices such as patent infringement;
- Advising the President whether agricultural imports interfere with price-support programs of the U.S. Department of Agriculture;
- Conducting studies on trade and tariff issues and monitoring import levels; and
- Participating in the development of uniform statistical data on imports, exports, and domestic production, and in the establishment of an international harmonized commodity code.

SUMMARY OF INVESTIGATIONS COMPLETED



MESSAGE FROM THE OFFICE OF THE CHAIRMAN

The U.S. International Trade Commission was a busy place in fiscal year 1991. The Commission completed 128 investigations during the year, compared with 90 in 1990. This caseload was the largest in the past several years, with increases in both adjudicative and research activities.

In the research area, 25 studies were completed, up from 11 in 1990. These studies ran the gamut from competition between U.S. and Canadian apples to the probable effects of permitting certain products to enter the United States duty free under the Generalized System of Preferences.

However, much of our research effort fell into three areas. First, we completed four studies on the proposed North American Free Trade Agreement (NAFTA). One study surveyed experts on U.S.-Mexican trade and found widespread support for a free-trade pact between the United States and Mexico. A second summarized the likely impact of such an agreement and determined that, though the economic benefits to the United States would be small, they would grow with time. Two additional studies were designed to provide the United States Trade Representative (USTR) not with public reports, but with classified data for use in the NAFTA negotiations. One of these studies gives detailed information on the agreement's probable effects on individual products, and the other examines Mexico's service industries and the regulations restricting trade in services within Mexico. Commission research relating to NAFTA continued into fiscal year 1992, with an examination of possible rules of origin for the automobile industry in the context of a NAFTA agreement.

A second major focus of the Commission's research during 1991 concerned the international competitiveness of U.S. firms in high-technology industries. A major effort, spearheaded by the Commission's Office of Industries, was launched to expand our knowledge of critical high-tech industries. This work began in late 1990 with a report identifying manufacturing industries that involve advanced technologies. During fiscal 1991, the Commission produced detailed reports on three high-tech industries—communications technology and equipment, pharmaceuticals, and semiconductor manufacturing and testing equipment. As the fiscal year closed, staff studies on two other high-tech industries—biotechnology and composite materials—were nearing completion. In addition, ITC staff continued to monitor developments in this field.

The third focus of Commission research during 1991 was on the costs of significant U.S. import restraints. The most noteworthy development here was the completion of a computable general equilibrium (CGE) model by the Commission's Office of Economics. With this model, the Commission produced a study estimating the combined effect of simultaneously removing many of the significant restraints on U.S. imports of manufactured and agricultural products. The CGE model puts the Commission at the forefront of economic research into the effects of trade restraints and trade policy changes. The USTR has expressed interest in using the Commission's model to assist in analyzing the effects on U.S. industries of positions taken in the Uruguay Round or NAFTA negotiations.

In addition to research, the Commission faced increased de-

mands in its role of adjudicating the nation's trade laws, with total adjudicative investigations increasing from 79 in 1990 to 103. Cases brought under two statutes dominated this activity—section 337 of the Trade Act of 1930, which protects U.S. producers from imports that impinge on valid intellectual property rights, and title VII, which covers cases of dumping and subsidies. The Commission's section 337 cases in fiscal year 1991 involved such technologically advanced products as semiconductors, antibodies used for treatment of septic shock, and medical diagnostic equipment. And, for the first time, the Commission assessed a monetary penalty for violation of one of its cease and desist orders under section 337.

The number of dumping and countervailing duty investigations rose to 89 from 55 the year before. Of these investigations, several involved large and important products, including minivans and coated groundwood paper, both with domestic production in the billions of dollars and imports in excess of \$500 million. Other title VII investigations involved polyethylene terephthalate film (a product whose uses range from potato chip bags to magnetic audio and video tape) and cement, as well as such advanced products as gene amplification thermal cyclers, hand-held aspheric indirect ophthalmoscopy lenses, high-information-content flat-panel displays, and laser light scattering instruments.

The Commission was indeed a busy place in fiscal year 1991.



Anne E. Brunsdale
Acting Chairman

THE COMMISSIONERS

The six Commissioners are appointed by the President and confirmed by the Senate for terms of nine years unless appointed to fill an unexpired term. A Commissioner who has served for more than five years is ineligible for reappointment. No more than three Commissioners may be members of the same political party. The Chairman is designated by the President and serves for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may the President designate two Commissioners of the same political party as the Chairman and Vice Chairman.

At the end of FY 1991, there were two vacancies on the Commission. During FY 1991, President Bush made two nominations to the Commission. Carol T. Crawford, a Republican of Virginia, was nominated for the term ending June 16, 1999. Janet A. Nuzum, a Democrat of Virginia, was nominated for the term ending June 16, 1996. Subsequently, the United States Senate confirmed both nominations. Commissioner Crawford entered on duty on November 22, 1991. Commissioner Nuzum entered on duty on November 26, 1991. The term of Commissioner Seeley G. Lodwick expired on December 16, 1991. To fill this vacancy on the Commission, President Bush nominated Peter S. Watson, a Republican of California, to the term ending December 16, 2000. After confirmation by the United States Senate, Commissioner Watson entered on duty on December 17, 1991.

On December 13, 1991, President Bush designated Commissioner Don E. Newquist, a Democrat of Texas, as Chairman of the United States International Trade Commission for the term ending June 16, 1992.



Anne E. Brunsdale, a Republican of the District of Columbia, was designated Vice Chairman by President Bush on June 16, 1990, for the term expiring June 16, 1992. Throughout FY 1991, in absence of a designated Chairman, she served as Acting Chairman. Previously, she had been designated Chairman by President Bush on March 28, 1989, for the term expiring June 16, 1990. Before that, she had served as Acting Chairman beginning June 27, 1988, and as Vice Chairman beginning June 16, 1986. A native of Minnesota, Ms. Brunsdale became a member of the Commission on January 3, 1986, for the term ending June 16, 1993. She came to the Commission from the American Enterprise Institute for Public Policy Research, Washington, DC, where she was serving as resident fellow of the Institute and managing editor of its bimonthly magazine, *Regulation*.



Seeley G. Lodwick, a Republican of Iowa, was sworn in as a member of the Commission on August 12, 1983, for a term ending December 16, 1991. A native of Iowa, Mr. Lodwick came to the Commission from the U.S. Department of Agriculture, where he served as Under Secretary of Agriculture for International Affairs and Commodity Programs from 1981 to 1983. He is a former Iowa State senator (1962-69) and was elected president pro tempore from 1968 to 1969. Mr. Lodwick maintains active farming interests in his home State.



David B. Rohr, a Democrat of Maryland, became a member of the Commission on March 27, 1984, and was subsequently reappointed to a term ending December 16, 1994. Before his appointment to the Commission, Mr. Rohr was staff director of the Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives. He was a trade advisor and was principal liaison with the Commission, the Office of the United States Trade Representative (USTR), and other Federal agencies. Mr. Rohr also served as Director of the Trade Negotiations and Agreements Division of the U.S. Department of Commerce. He joined Commerce in 1961 as an international economist.



Don E. Newquist, a Democrat of Texas, was appointed to an unexpired term on October 18, 1988, and reappointed to a nine-year term ending December 16, 1997. Prior to his appointment, Mr. Newquist was with Valero Energy Corp. as Senior Vice President for Corporate Relations. He also served as general manager of the Chamber of Commerce of Denver, CO, and before that was with the Chamber of Commerce of Corpus Christi, TX. He was past president of the South Texas Chamber of Commerce.

INTRODUCTION

As the Commission entered the fourth quarter of its first century of operation, it was called on to exercise its research and adjudicative roles in an international trade environment that was becoming increasingly prominent and complex. As the threat of superpower armed conflict attracted less attention, trade-related matters received more attention.

Responding to requests from Congress and the executive branch, the Commission completed studies about the effects of the North American Free-Trade Agreement, (NAFTA) the competitiveness of several U.S. industries, and the effects of certain policies and programs on trade.

Public response to NAFTA hearings held in conjunction with the preparation of the report reflected considerable interest from environmental groups and organized labor in the final provisions of any such agreement. The demand for the competitiveness reports, particularly those on the high-technology manufacturing industries, indicated considerable public interest in the subject. Finally, the report on the economic effects of significant U.S. import restraints started an energetic debate on the pros and cons of provisions in the Jones Act, one of which restricts shipments between U.S. ports to U.S. built and crewed ships.

Examples of the complexity of matters of international trade being dealt with in Commission proceedings were the title VII cases involving portable electric typewriters from Singapore and high-information content flat panel displays from Japan. In the portable electric typewriter case, the petitioner had been a respondent in a previous case; however, the petitioner in the previous case was the respondent in the present case, indicating some complexity in the definition of what constitutes a domestic producer.

Another view of the complexity of the matters before the Commission is represented by the case involving high-information content flat panel displays from Japan. In that case, domestic manufacturers of high-information content flat panel displays claimed that they were being injured by imports from Japan that were being sold at less than fair value. However, domestic manufacturers of laptop computers, which used the panels from Japan, argued that the antidumping duties on flat panels that would result from an affirmative determination for the U.S. panel makers would make it necessary for the laptop producers to move their production out of the United States.

Finally, after almost a decade of contending with imports of Japanese automobiles mainly through voluntary restraint agreements, the three major Detroit auto manufacturers came together in an antidumping complaint against minivans from Japan. The complaint received attention in virtually every major news outlet.

The Commission expects, on the basis of its workload during FY 1991 and on the importance of the issues with which it dealt, that its roles in research and adjudication will continue to grow and that its expertise will continue to be of assistance to Congress and the President.

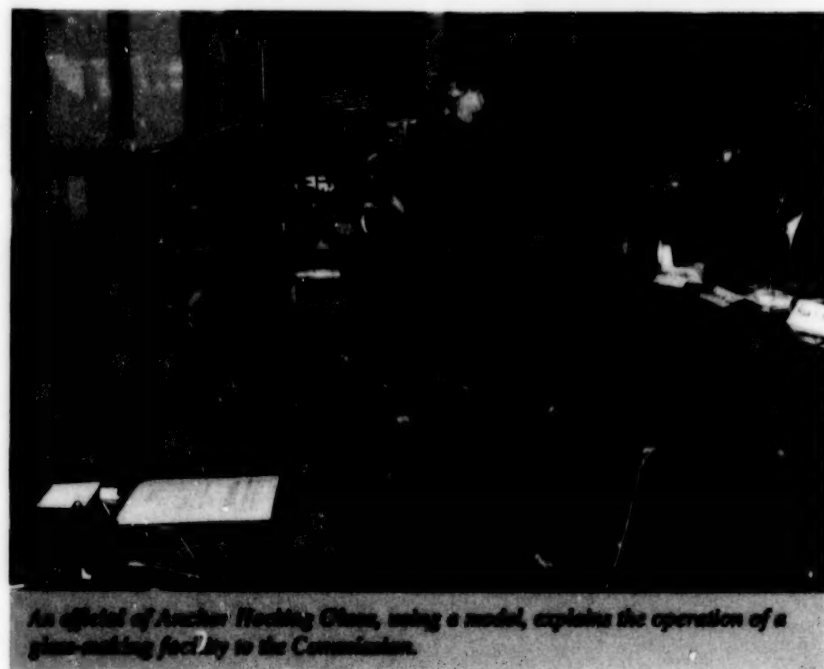
PART I. HIGHLIGHTS

INVESTIGATIONS UNDER SECTION 337 OF THE TARIFF ACT OF 1930

Under section 337 of the Tariff Act of 1930, the Commission conducts investigations into alleged unfair practices in import trade. Most complaints filed under this provision involve allegations of patent, copyright, or trademark infringement. Other investigations include such matters as alleged misappropriation of trade secrets, violations of the antitrust laws, passing off, and false advertising. A more detailed explanation of section 337 of the Tariff Act of 1930 is set forth in appendix B.

During FY 1991, the Commission was confronted with a variety of patent-based section 337 investigations and investigations involving trade secrets, trademarks, and copyrights. A significant number of investigations involved allegations that respondents were using complainants' patented processes abroad to produce products that respondents imported into the United States. These process patent investigations included a variety of end products, such as integrated circuit chips for computers, chemotherapy drugs, nonwoven fabric for disposable diapers and other personal hygiene products, devices for measuring the pressure of fluids in pipes and vessels, polymer geogrids for use in heavy construction projects, and acid-washed denim garments.

Two of the Commission's section 337 investigations included allegations that respondents' products infringed U.S. patents covering the overall appearance or design of a product. These investigations involved certain battery-operated ride-on toy vehicles and certain vacuum cleaners. One section 337 investigation revolved around allegations that respondents had misappropriated the complainant's trade secrets and were using the trade secrets in manufacturing operations abroad to produce and import into



the United States internal mixing devices that are used for the breakdown or incorporation of pigments and fillers into rubber and plastic materials. Five investigations included allegations that respondents' products infringed registered or common-law trademarks. These investigations involved air impact wrenches, automotive fuel caps and radiator caps, soft drinks, bathtubs and bathing vessels, and internal mixing devices. Allegations of copyright infringement were also included in the automotive fuel caps and radiator caps investigation.

In FY 1991, as in previous years, the Commission's section 337 caseload was highlighted by investigations involving several high-technology product areas. Significant among these were investigations concerning semiconductor products, including static random-access memories; erasable, programmable read-only memories; and other integrated circuit devices. Other investigations focused on antibodies used for treating septic shock, complex industrial machinery, medical diagnostic equipment, and nylon membrane filters used in the pharmaceutical and health care fields.

INVESTIGATIONS UNDER TITLE VII OF THE TRADE ACT OF 1930

In FY 1991, title VII petitions were filed with the Commission on a wide variety of products, including electric fans, chrome-plated lug nuts, steel wire rope, personal word processors, gene amplification thermal cyclers, coated groundwood paper, shopping carts, tungsten ore concentrates, ball bearings, tart cherry juice, shop towels, portable electric typewriters, kiwifruit, refined antimony trioxide, ophthalmoscopy lenses, cement (from Venezuela), pipe fittings, commercial microwave ovens, minivans, nepheline syenite, bulk ibuprofen, extruded rubber thread, magnesium, high-tenacity rayon filament yarn, and steel pipes and tubes. The Commission also finished work on a number of other cases filed during FY 1990. These included Atlantic salmon, benzyl paraben, heavy forged handtools, sodium thiosulfate, cement (from Japan), polyethylene terephthalate film, sparklers, silicon metal, and high-information-content flat-panel displays. The People's Republic of China, the country most frequently cited, was named in eight petitions.



Canada and Taiwan had five each, and Japan, four. A total of 34 countries were cited.

The Commission encountered several unusual and challenging issues that involved such new technologies and emerging markets as flat-panel displays and gene amplification thermal cyclers. Other issues involved long-established "core" industries, such as automobiles, steel, and paper. Large volumes of imported products were at issue; for example, annual imports were in the hundreds of millions of dollars in both the minivan and groundwood paper investigations. In other cases, imports totaled less than \$5 million. Irrespective of the nature of the products or the volumes involved, in each investigation, the Commission collected and analyzed extensive information on the U.S. market, obtaining such information both directly from market participants (producers, importers, and purchasers) and from the submissions of the parties to the investigations.

INVESTIGATIONS UNDER THE TRADE ACT OF 1974

The Commission conducted no escape clause or market-disruption investigations during the year.

INVESTIGATIONS UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1933

During FY 1991, the Commission conducted one section 22 investigation, on peanuts. In that case, a majority of the Commissioners recommended that the President relax the existing import quota on peanuts (1.7 million pounds per year). In response to that recommendation, in July the President authorized the importation of an additional 100 million pounds of peanuts on or before July 31, 1991.

INVESTIGATIONS UNDER SECTION 332 OF THE TARIFF ACT OF 1930

Under section 332 of the Tariff Act of 1930, the Commission conducts general investigations on any matter involving tariffs and international trade. Some of the most significant analytical section 332 studies completed during the year are highlighted below. In addition to these studies, the Commission staff produced industry surveys on synthetic organic chemicals, production sharing under chapter 98 of the Harmonized Tariff Schedule of the United States (HTS), steel prod-

ucts subject to the President's program of voluntary restraint agreements (VRAs), automobiles, rum, various tungsten compounds, nonrubber footwear, lamb meat, ethyl alcohol, and the impact of the Caribbean Basin Economic Recovery Act on U.S. industries and consumers.

Studies Relating to Probable Effects Advice for the Uruguay Round of the Multilateral Trade Negotiations

Services: Compilation and Identification of U.S. Measures That May Not Conform With Principles the United States Is Seeking in the Uruguay Round (332-293)

The Commission received a request from the United States Trade Representative (USTR) in May 1990 requesting that the Commission conduct an investigation in connection with trade negotiations on services in the Uruguay Round of the Multilateral Trade Negotiations. As requested, the Commission undertook a study to provide a report that (1) compiles information provided to the USTR by State governments in response to a USTR questionnaire on State services regulations; and (2) identifies, to the extent practical from the information reported to the USTR by State governments, U.S. measures (State and Federal) that may not be in conformity with the principles governing trade in services proposed by the U.S. Government in the Uruguay Round. The Commission submitted an interim report to the USTR in July 1990 and a final report in January 1991. The USTR classified both reports "confidential."

Studies Analyzing Various Aspects of U.S. Free-Trade Agreements and Other Special Trade Programs

Trade and Investment Liberalization Measures by Mexico and Prospects for the Future, Phase I and Phase II (332-282)

This study was requested by the House Committee on Ways and Means. It provides a review of (1) the changes Mexico has made in its trade and investment regime since



1985, including an overview of the Mexican economy and the austerity measures it has adopted to address its debt situation and to promote economic growth; (2) Mexico's GATT accession package, the 1987 United States-Mexican Framework Understanding, and the 1989 United States-Mexican Understanding Regarding Trade and Investment Facilitation Talks; (3) Mexico's far-reaching program of reducing or eliminating government regulation and the steps it has taken toward privatization of state-owned enterprises; (4) liberalization of Mexico's import trade regime and operation of its antidumping and countervailing duty procedures; (5) liberalization of Mexico's foreign investment regulations and recent changes in the Maquiladora program; and (6) progress Mexico has made in the area of intellectual property rights protection.

Phase II, *Prospects for Future United States-Mexican Relations*, completed in October 1990, provides a summary of views from experts on United States-Mexican trade and economic issues and on possibilities for the future direction of the bilateral relationship.

President's List of Articles Which May Be Designated or Modified as Eligible Articles for Purposes of the U.S. Generalized System of Preferences (332-295 and TA-503(a)-21)

In August 1990, the Commission received from the USTR a request to determine and report on the probable economic effect that GSP designation or modification is likely to have on domestic producers of like or directly competitive articles and on U.S. consumers. A total of over 100 HTS subheadings were covered in the investigation. The Commission submitted a final report to the USTR in November 1990. The USTR classified the report "confidential."

Likely Impact of a Free-Trade Agreement With Mexico on the United States (332-297)

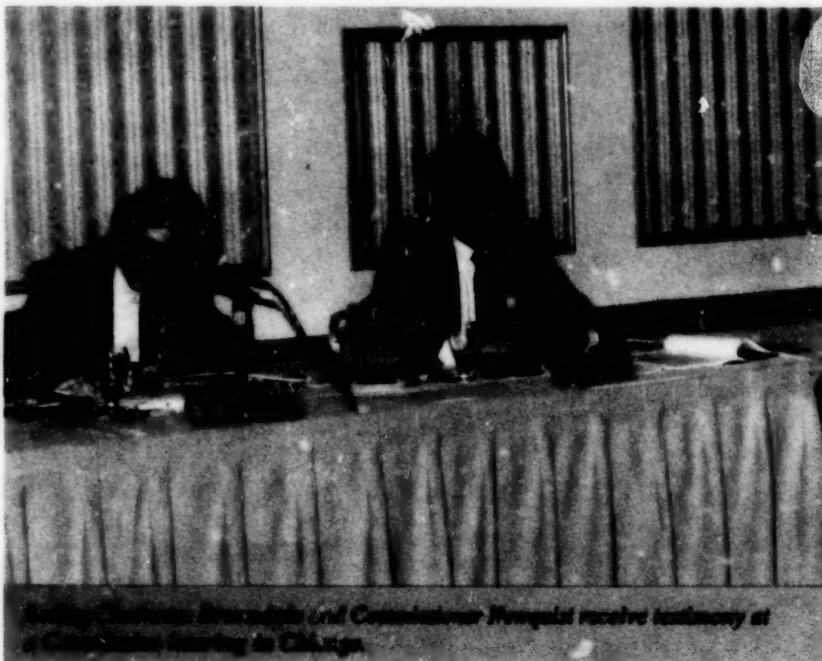
In September 1990, the Commission received from the House Committee on Ways and Means and the Senate Committee on Finance a request to conduct an investigation to summarize the likely impact of a free-trade agreement (FTA) with Mexico on the United States. The study concluded that an FTA would benefit the United States by expanding trade opportunities, lowering prices, increasing competition, and improving the ability of both U.S. and Mexican firms to exploit economies of scale. The benefits will be small, however, because

(1) the Mexican economy is small relative to the U.S. economy and (2) both nations already have relatively low bilateral tariffs and non-tariff barriers to trade in many goods, allowing most of the benefit of trade between them to be realized without an FTA.

An FTA would decrease U.S. trade with Canada slightly, but the decrease will be slightly greater if Canada becomes part of a North American Free-Trade Agreement (NAFTA). An FTA would have a negligible effect on most of the 19 U.S. industries studied and is expected to have a moderately negative effect on horticulture. Several subsectors of certain covered industries, such as the tuna industry and that producing inexpensive household glassware would also likely be affected. The effect on the automotive sector is uncertain without knowledge of the Big Three automakers' plans for their Mexican operations.

Assessment of Rules of Origin Under the Caribbean Basin Economic Recovery Act (332-298)

The Commission instituted this investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) as required by section 223 of the Customs and Trade Act of 1990. Section 223(a)(1) of the act requires the Commission to conduct





an investigation to assess whether rules of origin for products of countries designated as beneficiary countries under the Caribbean Basin Economic Recovery Act (CBERA) should be revised. The section also states that if the Commission made an affirmative assessment, it should then recommend revised rules of origin. Section 223(a)(2) of the act directs the Commission to submit its report on the results of its investigation, together with the text of recommended rules, if any, to the President and the Congress no later than nine months after the date of the enactment of the act.

The Commission found no information suggesting that the current rules of origin for eligibility under the CBERA program significantly frustrate the effectiveness of the program. The Commission concluded that other factors appear to be more significant in decisions to source or produce products in the Caribbean Basin. Further, it stated that, with the potential adoption of a GATT agreement on rules of origin and the establishment of a set of rules of origin under the proposed free-trade agreement with Mexico, it may be reasonable to postpone any revisions to the CBERA rules until these new rules can be considered, perhaps in a comprehensive and coordinated review of all U.S. rules of origin.

Probable Economic Effect of Immediate Tariff Elimination Under the United States-Canada Free-Trade Agreement, Original and Supplemental Reports (332-299)

In October 1990, the Commission received from the USTR a request to conduct the second annual review of immediate tariff elimination for certain products under the United States-Canada Free-Trade Agreement (CFTA). The report, which the USTR classified "confidential," contains advice, with respect to each requested article, as to the probable economic effect of the immediate elimination of the U.S. tariff, under the CFTA, on domestic industries producing like or directly competitive articles and on consumers. The Commission, having received a supplemental request for advice from the USTR in the same month, amended the scope of its section 332 investigation and provided advice to the President with respect to each of the 15 additional subheadings of the *Harmonized Tariff Schedule of the United States*. The USTR classified the report findings "confidential."

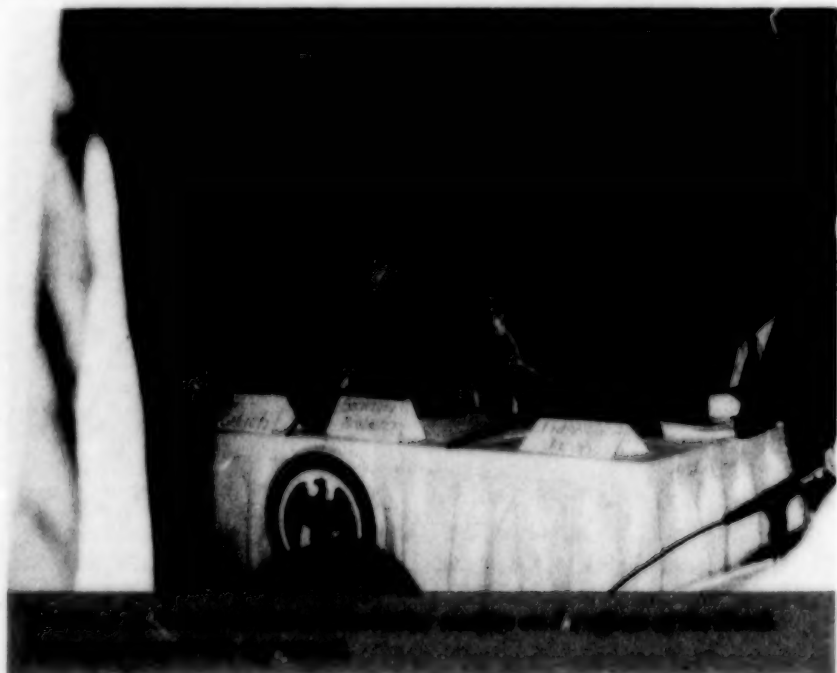
Probable Economic Effect on U.S. Industries and Consumers of a Free-Trade Agreement Between the United States and Mexico (332-307)

In February 1991, the Commission instituted this investigation on its own motion in anticipation of a

USTR request for assistance on the proposed U.S.-Mexico FTA. In this section 332 investigation, the Commission began background work on advice on the probable economic effect of the removal of all U.S. import duties and certain nontariff measures on products of Mexico under a United States-Mexico FTA. Following receipt of the USTR request in February 1991, the Commission-initiated study was incorporated into investigation No. 332-309 (see below).

Probable Economic Effect on U.S. Industries and Consumers of a Free-Trade Agreement Between the United States and Mexico (332-309 and TA-131(b)-16)

In the report for this investigation, which was classified "confidential" by the USTR, the Commission advised the President, with respect to each item in the Harmonized Tariff Schedule of the United States, as to the probable economic effect of providing duty-free treatment for imports from Mexico on industries in the United States producing like or directly competitive articles and on consumers. The Commission was further requested to advise the President as to the probable economic effect on industries and consumers if U.S. nontariff measures were not applied to imports from Mexico and to identify any products for



which the removal of U.S. duties or nontariff measures on imports from Mexico may significantly affect U.S. imports from Canada.

The addendum to the report, which the USTR classified "confidential," addressed the USTR's request for a summary, by product sector, of what economic effect the implementation of a NAFTA would be likely to have on U.S. exports to Mexico.

Services: U.S. and Mexico Sector Profiles and Mexican Impediments to Trade, Phase I (332-311)

In May 1991, the Commission, responding to a request from the USTR, at the direction of the President, instituted an investigation to provide a report on profiles of selected service industries in Mexico and to identify and assess nontariff measures that limit trade in those sectors in the Mexican market. The letter also asked for any significant new information with respect to U.S.-Canada trade in services. The final report findings were classified "confidential" by the USTR.

Studies Analyzing the Competitiveness of U.S. Industry

Steel Industry: Annual Report on Competitive Conditions in the Industry and Industry Efforts to Adjust and Modernize (332-289)

The Commission instituted the investigation following receipt of a request from the USTR in February 1990. The request was made at the direction of the President as part of the implementation of the Steel Trade Liberalization Program, which extended VRAs for a transitional period of two and one-half years, to March 31, 1992. In connection with the program of VRAs in steel, the Commission publishes an annual report. The President uses the information in the report to determine whether conditions set by Congress in its authorizing legislation for the VRAs have been met.

The report includes an assessment of the domestic industry's international competitive position and examines implications of key issues shaping the competitive environment, including globalization, gov-



The ambassador of Norway and Commission Secretary Kenneth Mason confer with Commissioner Seely Lodwick prior to the start of the hearing on Atlantic salmon from Norway.

ernment policy, environmental regulation, technology, and exchange rates.

Tuna: Competitive Conditions Affecting the U.S. and European Tuna Industries in Domestic and Foreign Markets (332-291)

In March 1990, the Senate Finance Committee requested a Commission evaluation of the competitive position of the U.S. and EC canned-tuna industries, with an analysis of trade distorting practices maintained by the European Community and other major producing and consuming areas.

The report concluded that the U.S. harvesting sector experienced a substantial contraction during 1986-90 and continued its shift to the western Pacific, in part due to a "dolphin-safe" policy announced by U.S. canners. In the U.S. canning industry, layoffs and plant closures in Puerto Rico forced a decline in employment during this period. Canned-tuna imports, mostly from Thailand, captured an increasing share of the U.S. market during 1986-89 and reached record levels in 1989.

The European canned-tuna market grew rapidly during 1986-89 and now is second to the U.S. market in terms of size; Europe exceeds the United States as

the world's leading importer, despite relatively high barriers to trade.

Southeast Asia has emerged as the world's largest canned-tuna exporter. Asian exporters are solidifying their position in leading world markets with improvements in distribution networks, including the recent purchase of two large U.S. canned-tuna marketers.

Identification of U.S. Advanced-Technology Manufacturing Industries for Monitoring and Possible Comprehensive Study (332-294)

In June 1990, the Commission received a request from the Senate Committee on Finance for the initiation of a two-phase investigation under section 332, covering U.S. advanced-technology manufacturing industries. This Phase I investigation report identified broad-based, advanced-technology industries for which the Commission will develop and maintain up-to-date information. From that list, the Commission recommended to the Senate Committee on Finance that communications technology and equipment, pharmaceuticals, and semiconductor manufacturing and testing equipment be designated for comprehensive study. Communications technology and equipment include computers, digital switches, digital radios, satellites, fiber op-

tics, and the software needed to run these integrated systems. Pharmaceuticals include medicinal chemicals, bioengineering, botanicals and diagnostics, and other biological products, such as serums and vaccines. Semiconductor manufacturing and testing equipment includes the machines and materials needed to produce integrated circuits and other microelectronic products.

The Senate Committee on Finance approved the Commission's recommendations on September 27, 1990. Information on the second phase of this request may be obtained under investigations Nos. 332-301, 332-302, and 332-303.

Global Competitiveness of U.S. Advanced-Technology Manufacturing Industries: Communications Technology and Equipment (332-301)

This investigation, part of the second phase of a two-phase study requested by the Senate Committee on Finance, concluded that competitiveness in the communications equipment industry ultimately depends on how firms and nations adjust to technological change, market liberalization, and industry globalization.

Foreign governments direct a greater portion of their research and development (R&D) funding to in-

dustrial R&D than does the U.S. Government. Thus, foreign firms may commercialize technology more rapidly than their U.S. counterparts. In an industry with high R&D costs, such as communications, government support and risk sharing can create a competitive advantage.

Historically, regulation, procurement policies, and standards have worked to lessen competition in communications equipment markets. The advent of market liberalization may increase the autonomy of communications equipment purchasers and create a more competitive environment.

In order to recover mounting R&D costs, most firms are finding it necessary to seek export markets. Major European and Japanese exporters have greater access to government financing, guarantees, and aid for sales to developing countries than U.S. firms do. Export-control restrictions are enforced more strictly by the United States than by its foreign competitors, making it more difficult for U.S. firms to compete in international markets. The study was submitted to the Senate Committee on Finance on September 27, 1991.

Global Competitiveness of U.S. Advanced-Technology Manufacturing Industries: Pharmaceuticals (332-302)

This report, part of the second phase of a two-phase study requested by the Senate Committee on Finance, identifies, compares, and analyzes the principal competitiveness determinants associated with the U.S. pharmaceutical industry. The report addresses such factors of competitive performance as national and international government policy, R&D productivity, and structural change within the industry to provide an overall assessment of the performance of the U.S. industry during the past five to 10 years. The study found that the competitiveness of the U.S. pharmaceutical industry, as well as those in other countries, depends largely on the ability of firms within the industry to develop innovative products. Innovation, in turn,

depends on the ability to finance R&D. Government policies, both domestic and foreign, are perceived to have a more significant effect on the industry level of innovation than most of the other factors studied in this report. The global industry has been undergoing increasing consolidation as companies attempt to (1) extend geographic reach; (2) broaden product portfolios; and perhaps most important, (3) spread the risk and costs associated with R&D. The report was submitted to the Senate Committee on Finance on September 30, 1991.

Global Competitiveness of U.S. Advanced-Technology Manufacturing Industries: Semiconductor Manufacturing and Testing Equipment (332-303)

This study, also part of the second phase of a two-phase study requested by the Senate Committee on Finance, concluded that the U.S. semiconductor manufacturing and testing equipment and materials industry lost a significant share of the global market to Japan during 1980-90. In 1980, the United States dominated every segment of semiconductor manufacturing equipment except assembly equipment, while Japan shared the lead in assembly equipment and several types of materials. By 1990, the United States led Japan slightly in sales of equipment, but trailed Japan substantially in sales of materials. Throughout the period, Europe remained a relatively minor player, with a market share fluctuating near 10 percent. The reasons for the U.S. industry decline can be found in the improved performance of Japanese products relative to their U.S. counterparts and the shift in the market for these products from the United States to Japan and other countries.

The report concludes that the future competitiveness of the U.S. industry depends on the success of technical cooperation with domestic and foreign customers, the development of stable sources of financing for R&D, the growth of the domestic market for these products, and the ability of U.S. firms to establish a presence in foreign markets. The





study was submitted to the Senate Committee on Finance on September 27, 1991.

Apples: Certain Conditions of Competition Between the U.S. and Canadian Industries (332-305)

On October 16, 1990, the Commission received from the Senate Committee on Finance a request to institute an investigation to provide information on the conditions of competition between the U.S. and Canadian apple industries. On August 1, 1991, the Commission reported the results of its investigation. The study found that there are no significant differences in the delivered prices of U.S. and Canadian apples of the same variety and of comparable quality. However, because a smaller portion of Canadian apples meet the standards for a given grade, proportionately more apples from Canada sell for a lower price in any given market because their average quality and grade are lower. In addition, Canadian growers receive lower prices because they do not produce certain popular varieties (e.g., Granny Smith) and because a larger share of their production is diverted to the lower valued processing market on account of seasonal oversupply and quality problems.

Studies on Special Areas of Congressional Interest

The Economic Effects of Significant U.S. Import Restraints, Phase III — Services (332-262)

The Commission completed this study as the third phase of a three-phase investigation requested by the Senate Committee on Finance to study the costs and benefits of restraints on U.S. trade (excluding title VII duties) in manufacturing, agriculture, and services. The first phase, completed in 1989, was on manufacturing trade, covering such restraints as the steel and auto VRAs and the Multifiber Arrangement. The second phase, completed in 1990, covered agricultural products and natural resources. The third phase covered restraints on imports of services, and separately estimated the effects of simultaneously removing all the restraints on manufactures and agricultural goods treated separately in phases I and II.

Phase three concluded that most service industries are open to imports, with the principal exception of shipping between U.S. ports, which is restricted by the Jones Act to U.S. owned, built, and crewed ships. Based on estimates, eliminating this restriction would save

consumers \$4.2 to \$10.4 billion per year, at a cost to protected shippers of about \$630 million, according to the report. (All amounts are in 1988 dollars.) The primary beneficiaries would be the agricultural, forestry, fishery, and mining and oil-processing industries.

The estimated effect of simultaneously removing barriers to imports of manufactured and agricultural products would be an increase in national welfare equivalent to a GNP increase of \$9.5 billion (1988 dollars). Estimated imports of apparel would increase by \$6.6 billion, followed by footwear (\$582 million), sugar (\$479 million), and textiles (\$427 million).

The Effects of Greater Economic Integration Within the European Community on the United States, Third Followup (332-267)

The House Committee on Ways and Means and the Senate Committee on Finance requested this investigation to provide objective information on the EC single market and a comprehensive analysis of its potential economic consequences for the United States. The single-market exercise is designed to accomplish the removal of barriers to trade in the physical, fiscal, and technical areas by 1992 through the issuance of approximately 280 "directives," each to correct one or more of the barriers to a free-trade internal market in the EC.

The initial report on this ongoing EC process, completed in July 1989, covered directives issued prior to January 1, 1989. The first followup report, completed in March 1990, covered developments during 1989. Both reports indicated that, while the EC single-market exercise did appear to hold potential benefits for both exporters to and investors in the EC, certain developments should be carefully monitored for any possible distorting effects.

The second followup report was issued in September 1990 and covered developments through June 1990. It also contained chapters on potential effects of the EC single-market exercise on the automobile, chemical/pharmaceutical, and tele-

communications sectors; in addition, a separate discussion of EC R&D was included.

The third followup report followed the established format for the EC 92 reports and covered the period from July 1, 1990, through the end of the year. The report includes updates of the issues covered in previous reports. Also included is a discussion of the effects of the EC 92 program on the U.S. value-added telecommunication and information services industry.

Japan's Distribution System and Options for Improving U.S. Access, Phase II (332-283)

In October 1989, the House Committee on Ways and Means requested that the Commission conduct an investigation of Japan's distribution system. Phase I of the study provided an overview of Japan's distribution system and analyzed the composition of Japan's trade patterns. The study concluded that certain aspects of Japan's distribution system appear to impede access to existing distribution channels by foreign firms, forcing them to rely upon more expensive alternatives, such as the establishment of an independent distribution network. This option was shown to be expensive and difficult as a result of high land, rent, warehousing, and transportation costs and certain legal restrictions.

Phase II of the study, a survey of expert opinions, which was completed in October 1990, suggested that most U.S. firms operating in Japan face an uphill battle to achieve and maintain their sales position in Japan's market, according to Commission interviews. A number of factors, such as difficulties breaking into webs of business relationships, operating in a business and legal environment that appears stacked against outsiders, and characteristics of U.S. corporate behavior, were said to have contributed to this situation. The Structural Impediments Initiative was viewed as positive by many because it represented recognition of the need to deal with systemic

barriers in Japan. However, the topics on which the most substantive concessions were achieved, such as retail distribution and the need for higher spending on infrastructure in Japan, may have a limited effect on U.S. exports, according to those interviewed.

International Agreements to Protect the Environment and Wildlife (332-287)

The Commission received a request from the Senate Committee on Finance to survey the international agreements designed to protect the environment and wildlife. In this study, the Commission identified 170 international agreements concerning the environment and wildlife that are of significance to U.S. interests. Roughly two-thirds of such agreements were signed after 1970, and only 19 of them employ trade restrictions as a means of enforcement. The report catalogs agreements by subject matter and summarizes information on objectives, mechanisms for enforcement, dispute settlement and information exchange, implementation, parties, and current issues. It also summarizes pertinent domestic legislation and the role of Federal agencies in the U.S. environmental program. It discusses relative GATT provisions and recommends an "environmental practices" report for monitoring the performance of U.S. trading partners in the area of environment and wildlife protection.

Ranitidine Hydrochloride: The Potential Impact on Domestic Competition in the Antiulcer Drug Market of a Temporary Duty Suspension on Imports (332-300)

The Commission received from the Senate Committee on Finance a request for advice with respect to what effect a temporary duty suspension on imports of ranitidine hydrochloride might have on domestic competition in the antiulcer drug market. The Senate Committee on Finance requested that the Commission undertake this study after the Senate and House conferees were unable to reach agreement on section 1438 of H.R. 1594.

The study found that a temporary duty suspension for ranitidine hydrochloride, the active ingredient in Glaxo's antiulcer drug, Zantac, could boost its domestic consumption and lower that of the other antiulcer products marketed in the United States. In 1990, seven distinct prescription antiulcer products were available in the U.S. market, including Zantac, with 51 percent of the market, and Tagamet, with 22 percent. Tagamet is produced domestically by SmithKline Beecham.

PART II. ORGANIZATIONAL ACTIVITIES

OFFICE OF OPERATIONS

The Director of Operations supervises all substantive work of the subordinate offices of Operations: Office of Economics, Office of Industries, Office of Investigations, Office of Tariff Affairs and Trade Agreements, Office of Unfair Import Investigations, and Trade Remedy Assistance Office. The director is responsible for initiation, supervision, completion, and publication (when appropriate) of all statutory investigations, studies, and special work projects assigned by the Commission. The work includes completing the investigations within the statute-imposed deadlines and with a level of accuracy and detail suitable for subsequent review by the courts.

Office of Investigations

The Office of Investigations is responsible for conducting the Commission's countervailing duty, antidumping, and review investigations under title VII of the Tariff Act of 1930; escape clause and market-disruption investigations under the Trade Act of 1974; and investigations under section 22 of the Agricultural Adjustment Act to determine whether imports of agricultural products are interfering with programs of the U.S. Department of Agriculture. In general, the Commission's responsibility in these investigations is to determine whether or not an industry in the United States has been injured, or is threatened with injury, by imports of products like those it produces.

The primary responsibility of the investigative staff is to present the Commission with an objective and comprehensive report on the subject of each investigation in order for the Commission to make an informed decision concerning injury on the basis of the facts of the investigation. In doing so, the staff seeks to understand the conditions of competition within the domestic market of the industry under investigation through extensive data collection, research, and consultation



George Dryman reviews the staff report on a dumping investigation.

with technical and marketing specialists. Under the direction of a supervisory investigator, the office coordinates all facets of these investigations, beginning with the identification of primary data to be collected and ending with the publication of a report containing the Commissioners' views and a non-confidential version of the staff report. The principal cases handled by the office during fiscal year (FY) 1991 are discussed in the "Highlights" section of this report.

The investigative team, which includes a supervisory investigator, an investigator, an accountant/auditor, and an economist from the Office of Investigations, as well as a commodity-industry analyst and an attorney from other Commission offices, acquires a thorough knowledge of the industry and the product under investigation, principally from primary sources such as industry questionnaires and visits to production facilities. Data presented in the staff report to the Commission include, but are not limited to, capacity, production, capacity utilization, domestic and export shipments, inventories, imports, domestic market shares held by U.S. and foreign suppliers, employment, hours worked, productivity, wages and total compensation paid, unit labor costs, pricing, distribution

channels, and full financial data on the U.S. companies producing the product under investigation. The staff also collects and analyzes somewhat more limited information regarding the foreign industry producing the subject product.

Investigations' staff members work closely with officials at the U.S. Department of Commerce and U.S. Customs Service, with parties to the investigations and their attorneys, and with company officials for both U.S. producers and importers of the product to obtain information and manage the administrative details of an investigation effectively. Investigators also assist the USTR in its deliberations on the Commission's recommendations to the President of actions to take in escape clause, market-disruption, and section 22 cases.

Office of Industries

The Office of Industries provides the Commission, the President, the Congress, and the public with technical and economic studies of U.S. industries and international trade. The office has a staff of about 140 international trade analysts and support staff organized into commodity divisions covering the major industrial sectors: agriculture, textiles, chemicals, minerals and metals, machinery, advanced-technology industries, and services. Within the divisions, staff track the import, export, production, and sale of more than 8,000 agricultural products, raw materials, and manufactured products. In addition, the office has trade analysts who monitor U.S. service industries, which are the focus of increasing attention in international trade. The primary responsibility of analysts is to conduct studies of U.S. industry performance, factors influencing U.S. competitiveness, and the impact of international trade on U.S. industry.

During FY 1991, the office conducted 33 investigations under section 332 of the Tariff Act of 1930, including both one-time, fact



finding studies and continuing industry surveys. In particular, the Office of Industries focused on two important investigative efforts during the year: (1) an evaluation of the probable economic effects of the proposed free-trade agreement between Mexico and the United States, and (2) a series of three comprehensive investigations related to the global competitiveness of U.S. high-technology industries. The first investigation provided the USTR with detailed product-level advice on the probable impact of the proposed free-trade agreement on U.S. imports, exports, industry, and consumers. The Commission submitted its report on this investigation to the USTR in June 1991 for use by U.S. trade negotiators. The USTR classified the report "confidential."

The second major investigative effort involved competitive analyses of the communications equipment, pharmaceuticals, and semiconductor manufacturing equipment industries for the Senate Committee on Finance. These studies provide an analysis of the determinants and the status of the global competitiveness of the three industries. In these studies, the Commission examined key factors

influencing competitiveness, such as U.S. and foreign government policy, industry evolution, current market and industry structure, and technology development.

Other major competitiveness studies released this year covered U.S. producers of steel, tuna, and apples. The office also produced a third followup report on the effects of greater integration of the EC market, service sector studies looking at U.S. barriers to trade in services and at the Mexican service sector, and advice to the USTR on the probable effects of modifications in the U.S. Generalized System of Preferences and the United States-Canada Free-Trade Agreement.

The office continued 10 monitoring reports under section 332 to aid the Congress and the executive branch in monitoring U.S. imports and domestic production of various products. Two of these reports were at the request of the President, seven at the request of Congress, and one continuing survey was done on the Commission's own motion. These surveys covered the following areas: synthetic organic chemicals, production sharing under chapter 98 of the Harmonized Tariff Schedule of the United States

(HTS), steel subject to the President's program of voluntary restraint agreements (VRAs), competitive conditions in the steel industry and industry efforts to adjust and modernize, automobiles, rum, various tungsten compounds, nonrubber footwear, lamb meat, and ethyl alcohol. The office periodically reviews all repetitive studies and recommends to the requester the reduction or elimination of studies as appropriate.

At the end of FY 1991, the Office of Industries had several major investigations under way. Two of these investigations were competitiveness analyses covering U.S. alfalfa producers and the tuna industry. In addition, the Commission began an investigation of the impact of imports of uranium and enriched uranium services from nonmarket economy countries on the U.S. industry at the request of the Senate Committee on Finance. This investigation is unique in that the U.S. industry under investigation is owned by a U.S. Government agency, the Department of Energy. At the end of the year, the Commission was also in the final stages of an investigation to determine the export competitiveness of the major manufacturing and services sectors of Central and Eastern Europe. This study includes an assessment of the structural impediments that might prevent the industries in this area from reaching their full export potential.

In FY 1991, the office also began preparation of a new series of *Summaries of Trade and Tariff Information*. The Commission has, since its inception, periodically issued these reports to provide a reliable, systematic, and uniform source of information on domestic and foreign trade at a detailed product level. The Commission completed the last series of *Summaries* in FY 1984 with publication of approximately 250 individual reports. The Commission will begin actual publication of the new series of *Summaries* during FY 1992.

Office of Economics

The two divisions of the Office of Economics help the Commission provide expert economic and foreign-area advice to Congress and to the President on a variety of international trade issues before U.S. policymakers. The Research Division specializes in quantitative analysis of trade and economic issues and provides advice and review on all Commission section 332 studies to ensure that they are soundly based on generally accepted economic principles.

There has been a long-term trend for policymakers to request more quantitative economic analysis in investigations conducted by the Commission. This trend is reflected in the broad array of investigations in which the Research Division provides modeling and other economic support. The Research Division keeps abreast of technical developments in economics relevant to the Commission's mission, to ensure that the Commission maintains its reputation as an agency that provides state-of-the-art analysis of trade policy issues.

The Research Division recently completed a major three-phase investigation of the effects of significant import restraints on producers, on consumers, and on the overall economic welfare of the United States. In the first phase, completed in September 1989, the Commission estimated the costs and benefits of 20 tariffs and five nontariff barriers on manufactured goods. In the second phase, completed in September 1990, it estimated the effects of import quotas on sugar, dairy products, cotton, and peanuts and on VRAs with foreign suppliers of meat (investigation No. 332-262). In the third phase, completed in September 1991, the Commission estimated the economic effects of various restraints on international trade in services. In addition, the division has developed a computable general equilibrium (CGE) model, which will let the Commission estimate more accurately the effects of removing any specific trade restraint or of removing multiple restraints



simultaneously. The details of this CGE model and the assumptions underlying the model are presented in the report on the third phase of the import-restraints investigation.

The Research Division also contributed substantially in FY 1991 to section 332 investigations led by other offices. The Research Division provided economic analysis and support in many ways. For example, the division constructed partial and general equilibrium models, provided quantitative analysis of U.S. import restraints and other trade-policy issues, and reviewed material prepared by other offices for economic content.

For probable effects studies, the Research Division has developed the methodology, including worksheets and spreadsheets, for use by industry analysts when assessing the probable economic effects of various duty changes. The division continues to work with the Office of Industries to improve the process for future probable effects studies. The division has also developed methodologies for determining the tariff equivalents of various import restraints. For the annual steel report, for example, Research Division economists as-

sessed the effect of exchange-rate on the U.S. steel market.

Following a formal request by the USTR, the Research Division also provided analytic support for both the Uruguay Round and the North American Free-Trade Agreement (NAFTA) negotiations in FY 1991. The division's main contribution was through application of the Commission's CGE model to analyze the broad sectoral effects of the simultaneous introduction of various proposed policy changes.

The Trade Reports Division of the Office of Economics is the Commission's "country desk" resource. Economists in the division regularly monitor trade policy and trade-related economic trends in key markets—the EC, Japan, Canada, Mexico, China, Eastern Europe, the Soviet Union, Latin America, and East Asia. Trade Reports economists also monitor developments in the current GATT-sponsored Uruguay Round of Multilateral Trade Negotiations and the activities of the main international organizations dealing with trade issues.

The country-desk resources of the Trade Reports Division complement the commodity and industry expertise of the Office of Industries. Together, they give the Com-

mission a capability to respond to the information needs of U.S. trade policymakers by using either an industry approach, a country approach, or some suitable combination.

The Trade Reports Division worked on a wide range of issues in FY 1991, conducting section 332 investigations, producing statutory reports on U.S. trade, and providing policymakers and the public with information and analysis on bilateral and multilateral trade issues.

Trade Reports economists, along with the Office of Industries, led a study requested by the Senate Finance Committee and the House Ways and Means Committee on the *Likely Impact of a Free Trade Agreement With Mexico on the United States*. The Commission found that a U.S.-Mexico free-trade agreement (FTA) would benefit the U.S. economy overall and create new opportunities and challenges for particular U.S. industries. The division also completed a survey of views on *Japan's Distribution System and Options for Improving U.S. Access*, which found that those surveyed believe that formidable challenges face U.S. firms seeking to gain entry or remain competitive in Japan's market for goods and services.

Trade Reports economists also contributed substantially to Commission studies on the export competitiveness of major manufacturing and services sectors in Central and Eastern Europe, and on the effects of economic integration within the EC on the United States. The fourth followup report on the effects of EC integration on U.S. economic interests is being led by division economists.

The Trade Reports Division prepared several recurring trade reports as required by statute. In July 1991, the 42nd annual *Operation of the Trade Agreements Program* report was released. This report highlighted major developments in U.S. trade policy in 1990, including a special section on the status of the Uruguay Round when negotiations broke down in December 1990 as well as a discussion of recent U.S.

trade initiatives in the Western Hemisphere, including the Enterprise for the Americas Initiative. The report also included data on U.S. trade under the Generalized System of Preferences (GSP) program and the Caribbean Basin Initiative, a comprehensive review of developments within the GATT and other multilateral forums, and actions taken under U.S. trade law. The report covered details of trade relations with seven major trading partners — The European Community, Canada, Japan, Mexico, Taiwan, The Republic of Korea, and Brazil.

Trade Reports Division economists also prepared the sixth annual report on the impact of the Caribbean Basin Economic Recovery Act (CBERA) on U.S. industries and consumers. This report studied several other issues, including the effects of the CBERA on investment in Caribbean countries.

The Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries (the East-West Trade Report) was prepared quarterly, as required by law. Although no changes have yet been made in the list of countries covered by this ongoing report, the Commission is responding to fast-changing conditions in East-

ern Europe by reporting extensively on the progress Eastern European countries are making in introducing market-oriented reforms in their economies. The East-West Trade Reports provide current data on U.S. trade with China, Poland, Hungary, Czechoslovakia, Bulgaria, Romania, and the Soviet Union, as well as analyses of significant developments in commercial relations and trade. Also included are results of the East-West Trade Statistics Monitoring System, which analyzes imports of manufactured goods from covered countries. The system identifies manufacturing industries experiencing rapid growth in imports and significant import penetration by suppliers in covered countries.

In addition to special studies and trade reports, division staff responded to almost 200 documented informal requests for specialized information and technical assistance from Congress, the public, and other Government agencies. Typical of such requests was one for a listing of the highest tariff rates on imports from Mexico, requested by a congressional aide during the discussion of the so-called "fast-track" negotiating authority.



The Trade Reports Division also produced a monthly review of trade and policy developments, the *International Economic Review*, which gives timely information on significant economic and policy developments abroad that may affect U.S. commerce. In 1990, the *Review* was expanded to include in-depth articles on special topics, such as Japan's direct investment abroad and various topics under discussion in negotiations towards a NAFTA. An expanded special *Chartbook* edition of the *Review* prepared in FY 1991 provides easy-to-understand illustrations of trade issues and trends using graphs of data on U.S. trade by major commodity and country groupings. The *Review* is distributed to Members of Congress and to the public on request.

Office of Tariff Affairs and Trade Agreements

In October 1990, the office published the second supplement to the 1990 edition of the Harmonized Tariff Schedule of the United States (HTS). The 1992 edition of the HTS was published January 1, 1991, and one supplement was issued in April 1991. The April supplement reflected, among other things, changes resulting from the annual review of the GSP.

Partly because of duty rates that changed during the conversion of the Tariff Schedules of the United States (TSUS) to the HTS, a large volume of tariff legislation was introduced in Congress during FY 1989 and FY 1990. FY 1991 was no different; the office staff coordinated the Commission's preparation of reports on 97 tariff bills, most of them seeking new temporary duty suspensions or extending existing ones. These reports assist the House Ways and Means Committee and the Senate Finance Committee in their consideration of tariff legislation.

Statistical changes to the HTS were sought through the Committee for Statistical Annotation of the Tariff Schedule (the 484(e) Committee), which is chaired by the director of this office. During this



fiscal year, the committee received 65 petitions for changes affecting hundreds of HTS subheadings.

The office updated the HTS history and header files, the index of Harmonized System Committee summary records, and other relevant data bases. It also sent electronic copies of the HTS to the National Technical Information Service for distribution to the public.

The office continued to participate in and contribute technical support to the U.S. delegation to various committees of the Customs Cooperation Council in Brussels. Furthermore, one staff member spent several weeks in Brussels providing onsite expertise and guidance in the establishment of a computerized commodity data base related to the international Harmonized Commodity Description and Coding System.

In the area of trade agreements, the office contributed significantly to the preparation of electronic data base files for the ongoing Uruguay Round of Multilateral Trade Negotiations, for the acceleration of staged duty reductions under the U.S.-Canada Free-Trade Agreement, and for the ongoing talks concerning a proposed NAFTA.

In addition, office staff assisted the USTR in reviewing other countries' GATT documentation concerning the Uruguay Round. Staff also reviewed petitions and prepared reports and proclamations for the President's signature in connection with the GSP program.

The office continued its efforts to extend the implementation of a U.S.-Canada Memorandum of Understanding, under which the two countries exchange monthly import statistics to reflect each country's exports to the other. The arrangement, effective January 1, 1990, eliminates the need to prepare and compile over one million export documents annually.

Finally, the office had primary responsibility for investigations Nos. 332-287, *International Agreements to Protect Wildlife and the Environment* (completed January 1991); 332-298, *Assessment of Rules of Origin Under the Caribbean Basin Economic Recovery Act* (completed May 1991); and 1205-1 (and addendum) (completed March 1991) and 1205-2 (in progress), *Proposed Modifications to the Harmonized Tariff Schedule of the United States, Pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988*.

In August 1991, the Commission received a request from the House Committee on Ways and Means to examine potential rules of origin to be used to determine eligibility for preferential import duty treatment under the proposed NAFTA and the effect of such rules on the U.S. automotive industry. This office was charged with carrying out this rule-of-origin study. Completion was scheduled for late November 1991.

Office of Unfair Import Investigations

The Office of Unfair Import Investigations is a party to adjudicatory investigations conducted under section 337 of the Tariff Act of 1930. These investigations involve claims of unfair methods of competition in import trade and most frequently include allegations of patent or trademark infringement. Allegations of copyright infringement, misappropriation of trade secrets, passing off, false advertising, and antitrust violations are also litigated in these investigations. If the Commission finds a violation of section 337, it may issue exclusion orders and cease and desist orders as a remedy.

The Office of Unfair Import Investigations represents the public

interest in section 337 investigations. The office is responsible for ensuring that a complete record is developed in these investigations and that the relevant issues are briefed for the administrative law judges and the Commission. Investigative attorneys from the office actively participate throughout these investigations along with counsel for the private parties. However, the investigative staff represents the public interest rather than the private interests of a complainant or respondent. Representation of the public interest is important because the remedies available in section 337 investigations may affect nonparties and U.S. consumers.

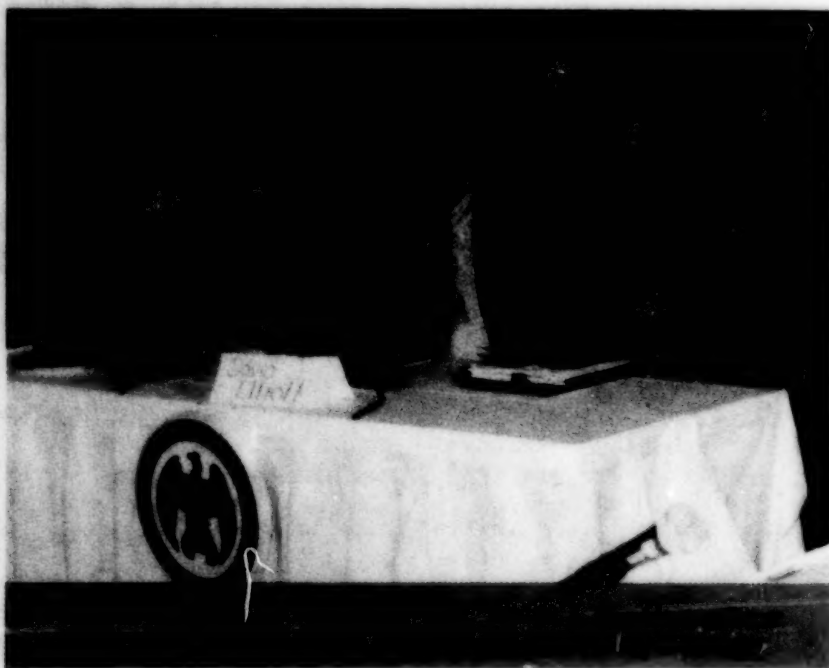
The Office of Unfair Import Investigations has responsibility for reviewing section 337 complaints prior to institution of an investigation and for advising the Commission whether the complaint alleges a cause of action under section 337 and complies with the applicable Commission rules. Prior to institution of a section 337 investigation, the office engages in informal investigation of the factual and legal bases for the allegations in the complaint. Upon request, the office

also provides information to prospective complainants regarding the filing of complaints under section 337.

During the violation phase of a section 337 investigation, attorneys from the Office of Unfair Import Investigations take discovery, examine witnesses, present evidence at the hearing, and submit briefs on factual and legal issues to the administrative law judges. The investigative staff also submits briefs to the Commission to assist the Commission in its decision whether to review the administrative law judge's initial determination on violation and other issues and in its determinations on remedy. The investigative staff's participation is intended to ensure that the administrative law judges and the Commission have the relevant facts and are offered an independent perspective on the many issues presented in section 337 investigations.

The investigative staff also provides assistance to the parties regarding settlement matters. Moreover, the investigative staff reviews proposed consent orders, consent order agreements, and settlement agreements and submits responses regarding public interest concerns and compliance with Commission rules.

During FY 1991 there were 22 active section 337 investigations, 10 of which were instituted in FY 1991. In these investigations, producers sought protection from alleged infringement of intellectual property rights in a host of different industries, including semiconductors, pharmaceuticals, medical equipment, industrial materials and machinery, and various consumer products, such as acid-washed denim garments, bathtubs and bathing vessels, and vacuum cleaners. The Commission terminated four investigations as a result of settlement agreements or consent orders entered into by the parties prior to an evidentiary hearing. Settlement agreements or consent orders were also entered in three other investigations. In addition, one investigation was suspended, another was terminated for mootness, and a third was terminated in view of a



binding arbitration clause in a prior licensing agreement. Of the five investigations in which the Commission made final determinations on the merits, a violation of section 337 was found in three investigations. A limited exclusion order was issued by the Commission in each of the three investigations. Additionally, a general exclusion order was issued in one of these investigations and a cease and desist order was issued in another investigation.

During FY 1991 there were also two advisory opinion proceedings, two modification proceedings, one ancillary order proceeding, and two formal enforcement proceedings stemming from prior section 337 investigations.

Trade Remedy Assistance Office

Established by Congress in 1988, the Trade Remedy Assistance Office (TRAO) provides technical advice and assistance (including informal legal advice and assistance) to qualified small businesses seeking benefits or relief under the six U.S. trade laws enumerated in 19 U.S.C. 1339. These laws relate to (1) injury caused by import competition, (2) adjustment assistance for workers and firms, (3) relief from foreign import restrictions and export subsidies, (4) imposition of countervailing and antidumping duties, (5) national security, and (6) unfair practices in import trade. The office also provides general information regarding trade laws and trade remedies in response to inquiries from the public.

In carrying out its function as a public resource for general information on trade laws and trade remedies, TRAO provides answers by telephone, if appropriate, and provides information regarding the Commission, trade laws, and the investigative process. It also refers inquiries to other Government agencies or seeks information from them before responding. TRAO gives public presentations when requested.

Presently, TRAO is taking a number of steps to more effectively disseminate information about trade laws and the services the office provides. It is coordinating closely with offices providing trade information at other agencies and is refining its informational packets. TRAO has also started to prepare a simple "how to" manual for small businesses seeking trade relief and is compiling a set of the clearest possible samples of required documents.

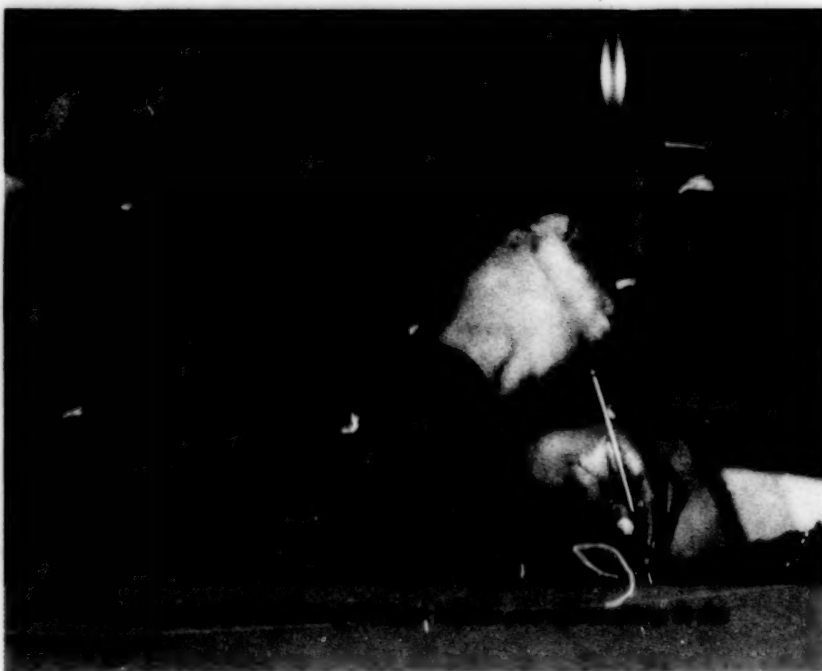
In FY 1991, TRAO responded to 271 inquiries from the public, approximately the same level as in FY 1990. However, the number of certified small businesses has practically doubled, from seven small businesses certified in FY 1990 to 12 in FY 1991.

Before advising a business, trade association, or union, TRAO first determines, on the basis of the application, whether it meets the size requirements set by the Small Business Administration. If so, TRAO provides it with technical advice and assistance, including informal legal advice, such as whether a particular situation appears to be one for which a trade remedy may be sought. TRAO reviews, on request, draft petitions and complaints to assist the small business efforts in preparing final petitions and complaints for filing.

TRAO also provides, if requested, informal legal advice and assistance during administrative review of petitions and complaints. If an investigation is instituted, TRAO provides ongoing advice throughout that investigation, including informal legal advice on preparation for hearings and for briefs, so that the small business may present its position to the Commission. However, TRAO does not act as legal counsel for small businesses but is available at any time to meet with persons from eligible small businesses to discuss the procedures and requirements for obtaining relief.

In FY 1991, TRAO was most often called on to provide technical advice and assistance regarding the antidumping and countervailing duty laws of the United States and regarding section 337 of the Tariff Act of 1930, dealing primarily with the alleged infringement of U.S. intellectual property rights by imported articles.

At the beginning of FY 1991, there were two ongoing investigations in which TRAO was providing technical advice and assistance. In an investigation under section 337, *Anti-Knock Ignition Systems for Automobiles* (investigation No. 337-TA-318), the parties reached





a settlement and the Commission terminated the investigation on that basis in December 1990. In *Laser Light-Scattering Instruments and Parts Thereof From Japan* (investigation No. 731-TA-455 (final)), the Commission determined in October 1990 that a domestic industry was threatened with material injury.

New petitions filed by small businesses that are being assisted by TRA0 include the following: *Hand-Held Aspheric Indirect Ophthalmoscopy Lenses From Japan* (investigation No. 731-TA-518 (preliminary)), and *Gene Amplification Thermal Cyclers and Components Thereof* (investigation No. 731-TA-485 (preliminary and final)).

Further, TRA0 continues to provide assistance to the parties of two investigations recently instituted by the Commission. On September 5, 1991, the Commission instituted preliminary antidumping and countervailing duty investigations, *Magnesium From Canada and Norway* (investigations Nos. 701-TA-309 and 731-TA-528 and 529 (preliminary)), and on September 17, 1991, the Commission instituted a section 337 investigation alleging patent infringement, *Certain Computer System State Save/Restore Software and Associated*

Backup Power Supplies for Use in Power Outages (investigation No. 337-TA-330).

TRA0 has received and reviewed draft petitions and complaints from most of the other certified small businesses that have not yet been formally filed. As a result of the ongoing cases, the draft petitions and complaints being reviewed by TRA0, and the anticipated filings, the workload of TRA0 increased substantially during the second half of FY 1991.

OFFICE OF ADMINISTRATION

The Office of Administration is composed of the following organizations: Office of Finance and Budget, Office of Information Resources Management, Library Services, Office of Management Services, and Office of Personnel.

The offices within the Office of Administration have elected to implement the management concept known as Total Quality Management (TQM). TQM can be defined as a method of conducting business that insures quality of service and customer satisfaction. It embraces the philosophy of making continuous improvements through the coordinated efforts of all employees in an organization. The Office of Administration has established the following vision statement for its TQM program:

The Office of Administration seeks to provide services to its customers that are (1) consistently of high quality, (2) timely, and (3) responsive to customer requirements. This goal is achieved through the dedicated efforts of all staff members in a work environment that fosters creativity, cooperation, and continuous improvement.

During FY 1991, the Office of Administration in conjunction with the Office of the Secretary embarked on the TQM journey by initiating nine pilot Quality Action Teams (QAT) with specific project objectives identified by the office

directors. The QAT members (50) were trained to use a problem solving technique provided by Organizational Dynamics, Inc. (ODI). Also, three facilitators were trained by ODI regarding their roles and responsibilities to support the teams' efforts. Of the nine QATs, five successfully completed their projects and made reports to their office directors. The remaining QATs will finish their projects during FY 1992. Additionally, a quarterly publication called the "Quality Times" was inaugurated to keep the staff apprised of the status of the QATs and the progress in our TQM journey.

Office of Finance and Budget

During FY 1991, in addition to the normal workload, the Office of Finance and Budget implemented a new accounting system. This system, called the Federal Financial System, is operated through the Department of Interior's Administrative Service Center in Denver, CO. Implementation of the new accounting system required intensive training, "dual" accounting operations during testing and conversion periods, and a major staff reorientation to different methods, terminology, systems access, redesigned financial reports, and other new processes. The implementation was a major workload and a major success during this fiscal year, and it will continue as a major workload as we review and improve both the internal processes and management reports.

In order to better monitor and control expenditures, a commitment system was implemented as part of the new accounting system. In addition, the office made a substantial change to the documents used in the budget formulation process for FY 1993 to ease the burden on cost center managers, including the consolidation of annual requests for various data from central cost center managers. During FY 1991, the Commission's financial statements for FY 1989 and FY 1990 were audited by the firm of Cotton & Co. and received a positive review. During FY 1991, audits were con-



ducted in the areas of "Budget Formulation and Execution" and "Personnel Management Functions and Activities." During FY 1991, responding to and implementing recommendations made as a result of the audit of "Personnel Management Functions and Activities" have been major efforts.

Office of Information Resources Management

During FY 1991, the Office of Information Resources Management (OIRM) completed a reorganization plan, including the update of mission and functions, realignment of divisions and work groups, and creation of a formal planning function. As part of this plan, OIRM also phased out and physically removed the inhouse mainframe (IBM 4331) computer. All significant mainframe applications were converted to other environments and are now running on the Commission local area network or computer centers at other agencies. Among those applications converted successfully during FY 1991 were the agency's finance and accounting system and a docket system. The Office of Industries' Document Archival Retrieval System (DARS) was also moved into

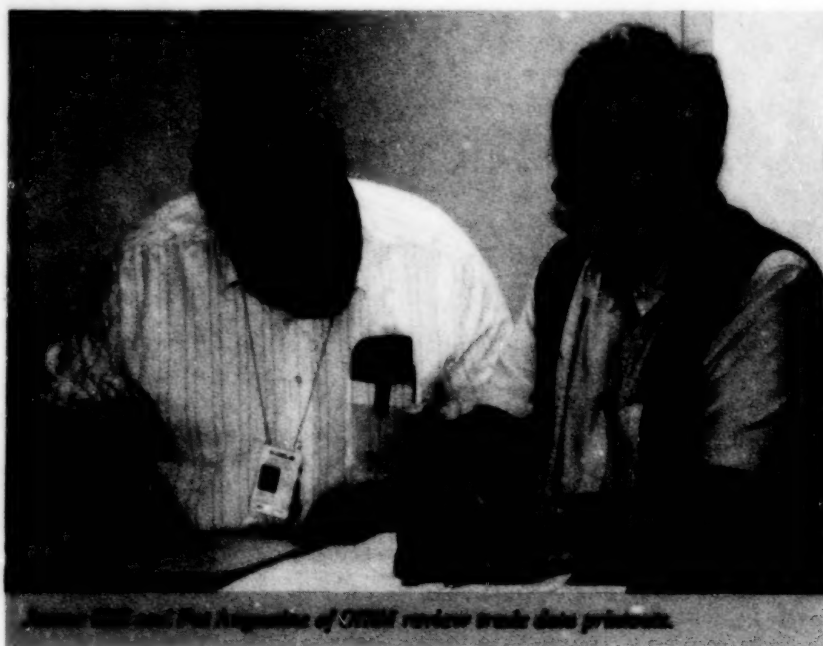
the computer room as part of the transition.

OIRM's Systems Development and Integration Division was restructured as part of the overall reorganization of the OIRM and now has two formal work groups and group leaders organized according to technical specialties. The Mainframe Support Group provides the analysis and programming support for all primarily mainframe projects, and the PC/LAN application group provides the same support for all projects that are primarily PC/LAN based. The division as a whole supports individuals within the Commission staff who require professional programmer assistance.

The PC/LAN group completed three projects: an inventory system for the Commission's supplies, expenditures, and receiving; a tracking system for off-site document storage; and a tracking system for facilities maintenance. The group also created a PC data entry and verification application in support of the Commission's annual Synthetic Organic Chemicals (SOC) report. The mainframe group developed a major negotiating tool for the NAFTA and continued to support, as well, the short-term projects requiring mainframe programming.

The Statistical Services Division staff served as advisors for the Commission's staff on the application of statistical theory, especially on the use of sampling, and performed 63 detailed statistical reviews of Commission investigative reports and studies. The division responded daily to inquiries for trade data, assisted in evaluating data reliability, and provided PC graphics support for the Commission. The division, in converting to the Harmonized Tariff nomenclature, combined and reformatted its Statistical Bulletins, which now provide a summary of the U.S. trade picture in a single document that is widely used by the trade community. It also assisted the Offices of Industries and Economics with statistics and other information in a number of section 332 investigations, significantly contributing to the evaluation of accelerated tariff reductions under the auspices of the U.S.-Canada Free-Trade Agreement.

The newly structured Office Automation Support Division added a number of improvements to the Commission's local area network, including 320-megabyte disks to all file servers, 40-megabyte drives to 150 PC workstations,



and a new version of the network operating system, VINES.

Library Services

Library Services spent much of FY 1991 installing new computer programs and expanding services. The largest project was the introduction of an automated circulation system to control the Main Library's book collection. In addition, the Library completed installation of a serials control system for the periodicals collection.

Library Services expanded major research collections. Having worked on several section 332 cases, the Library expanded in the areas of Eastern Europe, Latin America, Mexico, and in EC 92 materials. This expansion work enabled the Library to publish working bibliographies on EC 92, Mexico, and Latin America for Commission use.

Early in the year, the Library staff initiated a daily announcement program on the agency's local area network. The announcements inform the Commission of new research materials that are available in the Main Library and keep them up to date on Library activities and services that may be of use in their work.

Office of Management Services

Fiscal year 1991 has been the third-largest printing production year in the Commission's history, with an output of approximately 27 million pages. The Office of Management Services used technical upgrades to significantly improve productivity by placing in full production a replacement system for its Interleaf Composition System approved by the Joint Committee on Printing.

The Commission converted to the Governmentwide Washington Interagency Telephone System (WITS) and FTS 2000.

The Commission's procurement function was improved by installing an automated system for preparing and tracking small purchases and contracts. The Govern-

mentwide credit card program designed to facilitate the procurement of minor purchases was instituted in the Commission during FY 1991. A favorable Inspector General audit of the procurement process was completed during FY 1991.

Office of Personnel

During FY 1991, the Office of Personnel assisted employees and managers with a broad range of human-resources services in such areas as recruitment, skills development, employee and labor relations, and benefits administration.

Continuing a major initiative of the previous year, the office offered extensive onsite training in the use of personal computers, as well as speed reading, writing and editing instruction, and smoking cessation.



Several personnel policy matters were dealt with during the year. The office developed the statutorily mandated Senior Executive Service Recertification Plan and it was approved by the Office of Personnel Management. Alternative work schedules as an option for persons in managerial positions was continued on the basis of a review of the program. Under this arrangement, managers are allowed to adjust their

hours and days of work to fit their individual needs, a benefit already widely available to nonsupervisory employees under collective bargaining agreements. Other policy revisions in the areas of pay and leave administration, overtime, and compensatory time were developed, including those necessary to permit employees to participate in the Desert Storm Leave Transfer Program to assist returning veterans. Also as a result of the audit of the Personnel Management Functions and Activities during FY 1991, a personnel-management evaluation system was developed that provides for periodic and cyclical reviews of such activities as position management, staffing, recruitment, personnel processing, training, and equal employment opportunity.

Drug testing, the subject of protracted union negotiations, moved closer to implementation as a result of recent Department of Health and Human Services approval of the Commission's plan. Final union agreement, which is the last step in the process, was accomplished.

Vacancies for permanent trade analyst and attorney positions continued to draw a large number of candidates. Students focusing on trade issues again demonstrated their interest in the Commission by the flood of applications for summer employment—1,000 applications for 30 positions.

OFFICE OF THE ADMINISTRATIVE LAW JUDGES

During FY 1991, the Office of the Administrative Law Judges held four evidentiary hearings on section 337 cases in accordance with the Administrative Procedure Act. These hearings involved diverse products: rotary printing apparatus, plastic encapsulated integrated circuits, air impact wrenches, and self-inflating mattresses.

During this period, the judges disposed of 11 cases without an evidentiary hearing—that is, by settlement, by summary determination, or by a finding of default.

OFFICE OF CONGRESSIONAL LIAISON

The Office of Congressional Liaison is the primary point of contact between the Commission and Congress. The office routinely works with congressional staff to clarify congressional intent in section 332 investigation requests, responds to inquiries from Members of Congress, and keeps the Commission apprised of legislative initiatives that would affect its operations. The office also provides technical assistance to Members of Congress and their staff on various trade-related matters.

During FY 1991, Congress requested a total of nine section 332 investigations, three of which examined the global competitiveness of U.S. advanced-technology manufacturing industries: communications technology and equipment, pharmaceuticals, and semiconductor manufacturing and testing equipment. Following publication of *The Likely Impact of a Free-Trade Agreement With Mexico on the United States* in February 1991, Congress continued to request other section 332 investigations designed to determine the impact of the proposed NAFTA. At the close of FY 1991, the House Committee on Ways and Means requested a study analyzing rules of origin for the automotive industry in the context of the NAFTA.

The Office of Congressional Liaison also responded to congressional requests for testimony on substantive issues. In March 1991, Acting Chairman Anne Brunsdale testified before a subcommittee of the House Committee on Appropriations concerning the Commission's FY 1992 budget request. A statement for the record was submitted in April 1991 to the House Committee on Small Business concerning the likely impact on the United States of a free-trade agreement with Mexico. In July 1991, Commissioner Seeley Lodwick testified before the House Committee on Ways and Means Subcommittee on Trade concerning

imports of durum wheat from Canada.

The Commission received 185 letters from individual Members of Congress and 384 requests for miscellaneous tariff bill reports. These reports provide statistical, legal, and industry analysis for use by the House Committee on Ways and Means and the Senate Committee on Finance during consideration of tariff-related legislation.

Four Members of Congress and two congressional staff members testified at Commission hearings. A January 1991 hearing concerning import quotas on peanuts attracted two House Members from peanut-growing regions in North Carolina and Georgia. In connection with a section 332 investigation on the probable economic effects of a free-trade agreement with Mexico, hearings held during April 1991 in Scottsdale, AZ, and Washington, DC, included testimony from an Arizona Congressman, the Governor of Arizona, and the Delegate to Congress from the Virgin Islands.

OFFICE OF INSPECTOR GENERAL

The Inspector General is responsible for conducting all audits and investigations relating to Commission programs and operations and for recommending and commenting on proposed legislation, regulations, and procedures as they affect the Commission's efficiency and effectiveness. The accomplishments of the Office of Inspector General are included in a semiannual report submitted to Congress in November and May each year.

Commission programs and operations reviewed during FY 1991 included coordination with the Department of Commerce in implementing title VII determinations, compliance with the Federal Managers' Financial Integrity Act of 1982 and Public Law 101-121 on lobbying activities, FY 1989 and FY 1990 financial statements, an equal employment opportunity pro-

gram, procurement policies and procedures, budget formulation and execution, property management, imprest and official representation funds, and advisory and assistance services.

Activities in the Office of Inspector General conducted to prevent or detect fraud, waste, or abuse include reviewing all proposed Commission directives and regulations. As required by the Inspector General Act, the office also has a process for commenting on existing and proposed legislation and regulations relating to programs and operations of the Commission.

The Inspector General has been an active member of the President's Council on Integrity and Efficiency (PCIE) Coordinating Conference. The Inspector General was a member of committees that issued a generic audit manual. The Inspector General also planned the annual retreat and, as Chair of PCIE, issued a survey of index material designed to promote sharing of knowledge and information among Conference members. She is currently a member of a joint task force with PCIE Coordinating Conference and Presidential appointee members to explore issues of importance to the agencies with designated inspectors general.

OFFICE OF THE SECRETARY

The Office of the Secretary compiles and maintains the Commission's official records, such as petitions, briefs, and other legal documents. It issues the Commission's notices, reports, and orders, and it schedules and participates in all Commission meetings (33 in FY 1991) and hearings (28 days of hearings in FY 1991). The office also has been a repository for historical information on the Commission since its founding in 1916. It makes determinations on requests for confidential treatment of information, for information to be released under protective order and for requests under the Freedom of Information Act (FOIA).

The following tabulation shows the volume of these requests for FY 1991 compared with that in FY 1990:

Type of request	FY 1990	FY 1991
Requests for confidential treatment	399	442
Requests for release of confidential business information under protective order	124	203
FOIA requests:		
Received	72	73
Granted in whole or in part	44	59

The Office of the Secretary receives surety bonds or other collateral posted by parties in connection with the temporary-exclusion-order phase of section 337 investigations. The Secretary also is authorized to issue seizure letters authorizing the U.S. Customs Service to hold certain merchandise when a prohibited importation is attempted.

The Secretary continues to monitor alleged breaches of the Commission's administrative protective orders. In FY 1991, a total of 34 possible breaches were identi-

fied. In two of these cases, the Commission issued a letter of warning; in nine cases, investigation did not disclose evidence of an actual violation. Twenty-three of these cases were still under investigation at the close of the fiscal year.

In FY 1991, a total of 9,700 documents were filed with the Office of the Secretary. The office is continuing to explore improved microfilm systems and optical-disk technology for introduction in the 1990s.

The office receives an average of almost 200 visitors each month — including Commission staff — researching its public files. Facilities for research by the public are in the Office of the Secretary, room 112, and in the Commission libraries. Inquiries should be directed to the specific organizational unit or to the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone 202-205-2000. Publications may be ordered 24 hours a day, seven days a week, by calling 202-205-1809. Recorded information on the latest petitions and complaints filed with the Commission may be obtained by calling 202-205-2196.

OFFICE OF EXECUTIVE AND INTERNATIONAL LIAISON

The principal function of the Office of Executive and International Liaison is the management of the daily technical assistance that the Commission provides to the USTR in the operation of the trade agreements program and in the execution of U.S. trade policy. The office is also the channel through which information is obtained from U.S. embassies in foreign countries for Commission investigations and reports. Major activities during the year included assistance to the USTR in negotiations with Canada on acceleration of removal of duties under the United States-Canada Free-Trade Agreement, work on the Uruguay Round of Multilateral Trade Negotiations, preparations for the negotiations with Mexico

and Canada on a NAFTA, and the preparation of Presidential proclamations implementing decisions in U.S. trade policy.

OFFICE OF THE GENERAL COUNSEL

The General Counsel is the Commission's chief legal advisor. The General Counsel and the 26 attorneys in her office advise the Commissioners on Commission investigations, prepare briefs and represent the Commission in court, and provide assistance and advice on general administrative matters, including ethics, labor relations, and contracts.

Upon request, the office provides technical assistance to Congress and the executive branch on tariff and trade matters. Early in FY 1991, the office provided considerable technical assistance and support to the U.S. delegations to the GATT Uruguay Round trade negotiations in Geneva and, more recently, to the U.S. delegations to the NAFTA negotiations. Several of the laws administered by the Commission are based on GATT articles and codes. Several of these GATT articles and codes are the subject of negotiations in the Uruguay Round, and concepts employed in several of the GATT articles and codes are the subject of discussion in the NAFTA negotiations.

General Counsel attorneys served as members of investigative teams assigned to antidumping (AD) and countervailing duty (CVD) investigations, providing advice to the Commission and its staff on a variety of legal issues. In addition, the Office assisted the Commission in the development of jurisprudence relating to the 1988 act in areas such as administrative protective orders, anticircumvention of AD/CVD orders, and section 337 investigations.

Attorneys in the office were principal authors of several sections of the latest Commission followup report on *The Effects of Greater Economic Integration Within the European Community on the United States* (investigation No. 332-267),





particularly the sections relating to intellectual property, company law, taxation, transportation, social dimension, and implementation.

Office attorneys also contributed sections on intellectual property, antitrust, and taxation to the three advanced-technology reports on telecommunications equipment, pharmaceuticals, and semiconductor equipment (332-301, 332-302, and 332-303) and contributed sections to the Commission reports on *Likely Impact of a Free Trade Agreement with Mexico on the United States* (332-297) and *Services: U.S. and Mexico Sector Profiles and Mexican Impediments to Trade* (332-311).

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs, through its director, serves as the spokesman for the Commission. The office is responsible for internal and external information programs designed to enhance employee morale and to keep the public informed about the Commission. Public Affairs maintains an active relationship with the press, keeping it and the public informed of Commission decisions and studies through timely press releases. It also answers press and public queries about the Commission and its activities and arranges for press and public contact with the Commissioners and Commission staff.

The office is responsible for preparing and disseminating brochures and pamphlets to help the public understand the Commission and its mission. The office is consulted on the design, production, and dissemination of Commission publications, such as investigation reports, studies, pamphlets, and the Commission's annual report.

Public Affairs also handles the Commission's visitor program. Through this program, meetings are arranged between visitors and Commissioners or appropriate staff members. In FY 1991, a total of 113 visitors from 17 countries came to the Commission. The countries providing the largest numbers of visitors were China (28) and Korea (25). The visitors consisted of government officials, businessmen, economists, attorneys, journalists, academics, and students.

This past year, Public Affairs handled the arrangements for two out-of-town hearings. These hearings — in Scottsdale, AZ, and Chicago, IL — were held in connection with the proposed free-trade agreement with Mexico. The office coordinated press coverage and provided logistical support both for the hearings and for ancillary field trips.

The Office of Public Affairs was involved in planning special events for the 75th anniversary of the Commission.

PART III. MANAGEMENT AND FINANCE

The Commission maintains an expert staff of professional international trade and nomenclature analysts, investigators, attorneys, economists, data systems programmers, and administrative support personnel to do the work mandated by Congress. All Commission personnel are located at 500 E Street SW. in Washington, DC 20436

As of September 30, 1991, a total of 460 permanent employees were employed by the Commission, compared with 464 at the end of the previous fiscal year.

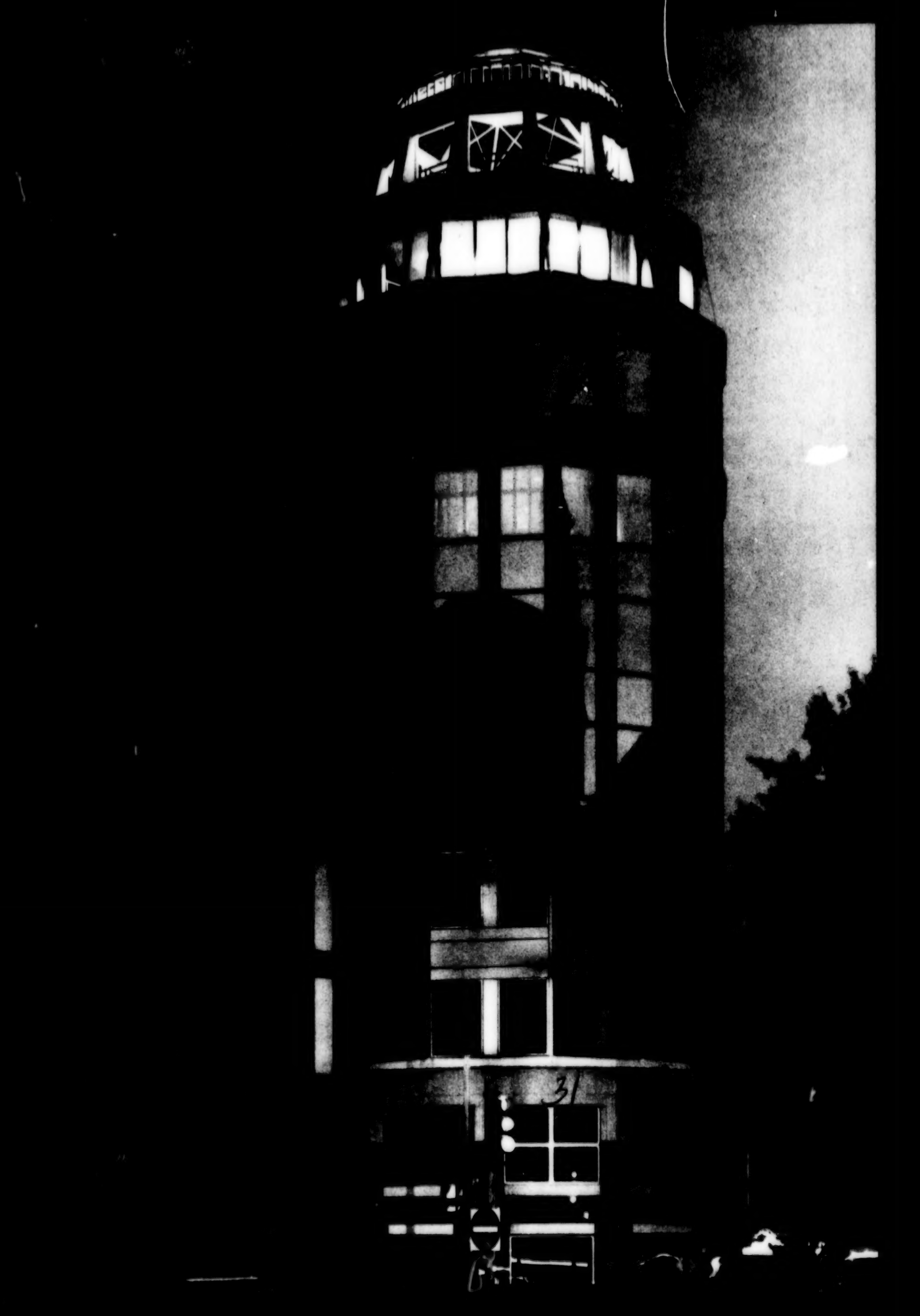
The breakdown of their assignments is shown at right:

Organizational unit	Number as of September 30, 1991
Commissioners	4
Offices of the Commissioners	14
Office of the Administrative Law Judges	11
Office of the Secretary	17
Office of Public Affairs	2
Office of Executive and International Liaison	4
Office of Congressional Liaison	3
Office of the General Counsel	44
Office of Inspector General	3
Office of the Director of Operations	2
Office of Economics	31
Office of Industries	136
Office of Investigations	49
Office of Tariff Affairs and Trade Agreements	19
Office of Unfair Import Investigations	16
Trade Remedy Assistance Office	2
Office of the Director of Administration	4
Office of Finance and Budget	11
Office of Information Resources Management	27
Office of Management Services	38
Office of Personnel	12
Library Services	11
Total	460

The U.S. International Trade Commission submits its budget to the President for transmittal to Congress. Because of the unique role of the Commission as a quasi-judicial, bipartisan, independent agency designed to provide trade expertise to both legislative and executive branches of Government, Congress provided in section 175 of the Trade Act of 1974 (19 U.S.C. 2232) that the Commission's budget would not be subject to control by the Office of Management and Budget but would instead be submitted directly to Congress.

During FY 1991, appropriated funds made available to the Commission amounted to \$40,299,000. Obligations for FY 1990 and 1991 are shown at right (in thousands of dollars):

Item	FY 1990	FY 1991
Salaries and personnel benefits	\$25,091	\$26,276
Travel and transportation	617	528
Rental and communications services	7,332	7,639
Other services	2,755	2,449
Printing and reproduction	245	233
Equipment, supplies, and material	1,626	1,616
Total	\$37,666	\$38,741





Gregory Jackson of the Printing Branch processes documents through a paper cutter.



Paul Daniels of OIRM operates a telecommunications device for the deaf (TDD).



Anthony Stenski of OIRM fixes a software problem.

FIGURE 1
SUMMARY OF PRINCIPAL ACTIVITIES, FISCAL YEAR 1991

Investigations on the probable economic effects of granting concessions during multilateral trade negotiations or granting duty-free treatment through implementation of the Generalized System of Preferences.
0.8%

Investigations under sections 201 and 406 of the Trade Act of 1974.
0.1%

Investigating unfair import practices under section 337 of the Tariff Act of 1930; section 603 of the Trade Act of 1974; and miscellaneous studies.
7.3%

Basic research; trade agreements activities; reports on production and imports of chemical products; summaries of trade and tariff information; tariff classification and enumeration; investigations under section 22 of the Agricultural Adjustment Act.
28.1%

Furnishing information and technical assistance to the Congress, other agencies, and the public
8.8%

Antidumping and countervailing duty investigations.
13.2%

Executive direction and administration.
21.4%

Investigation under section 332 of the Tariff Act of 1930; special studies.
20.3%

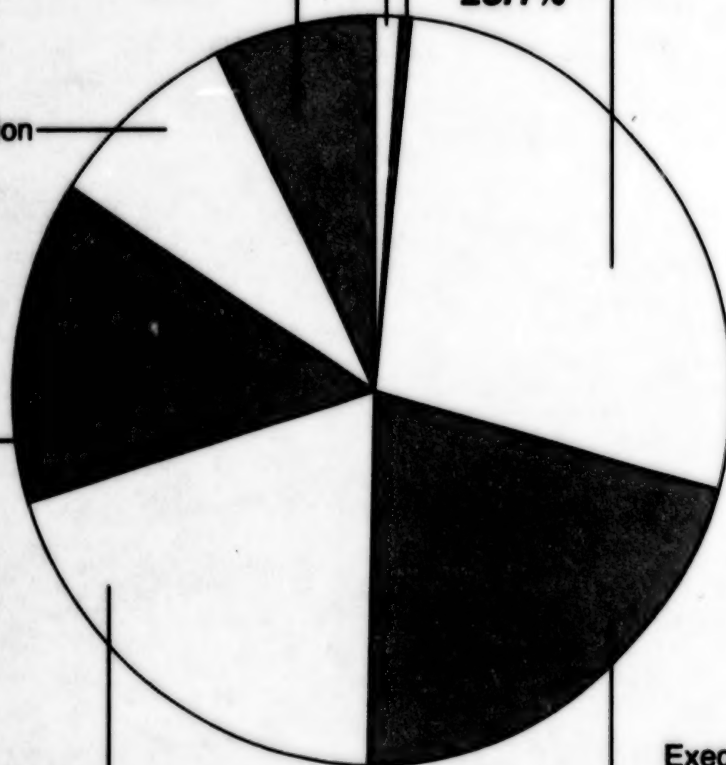
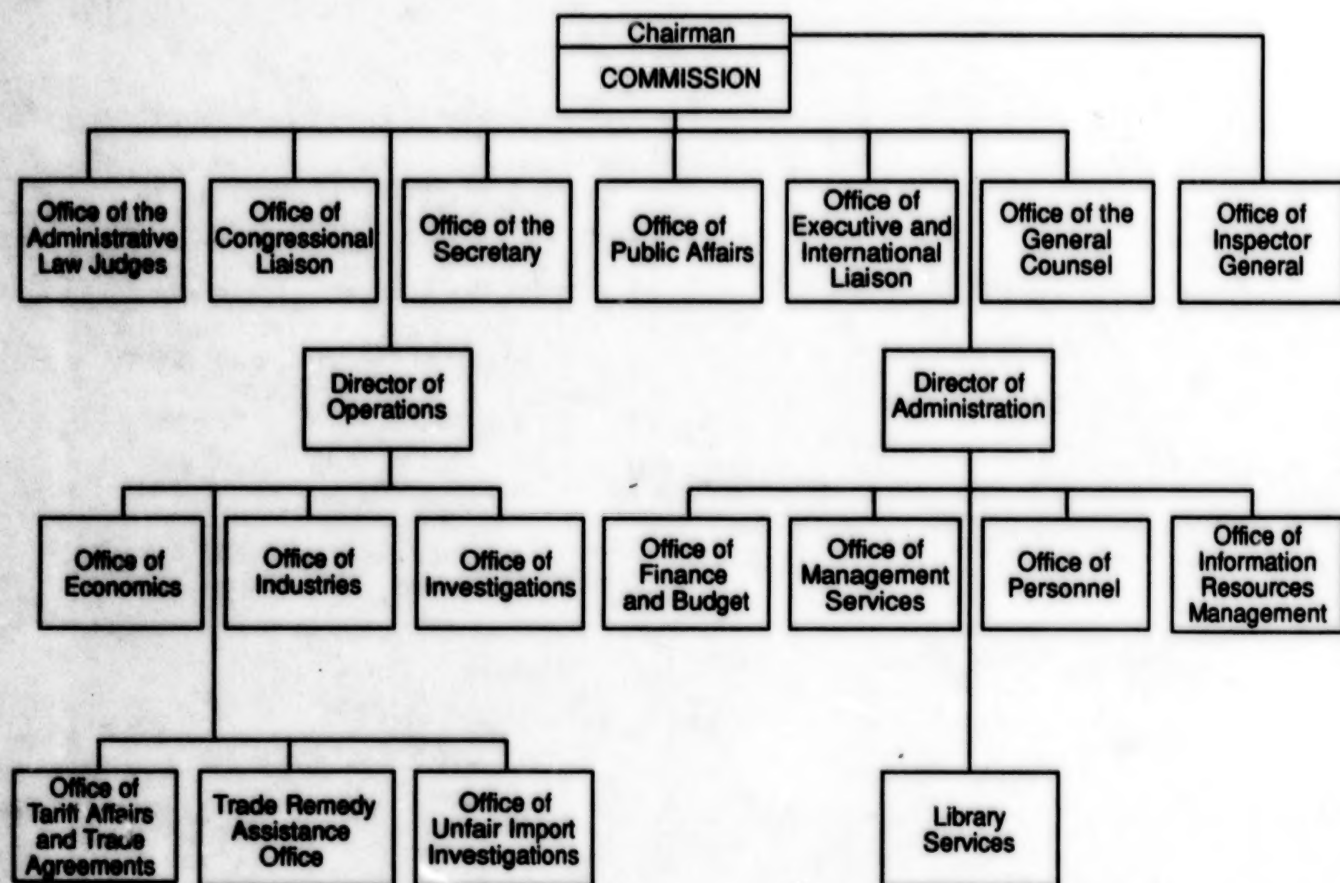


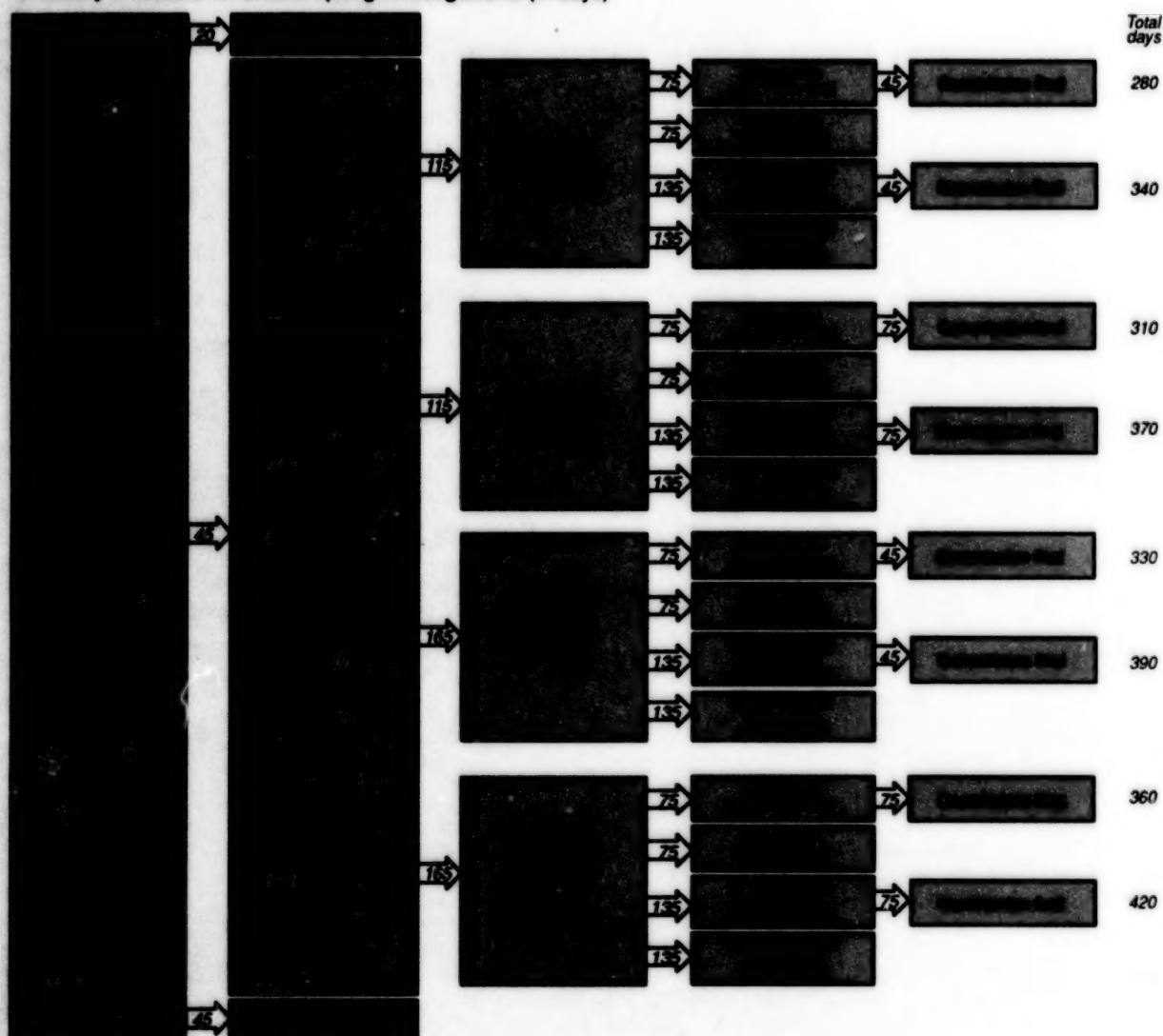
FIGURE 2
COMMISSION ORGANIZATION AND FUNCTIONS



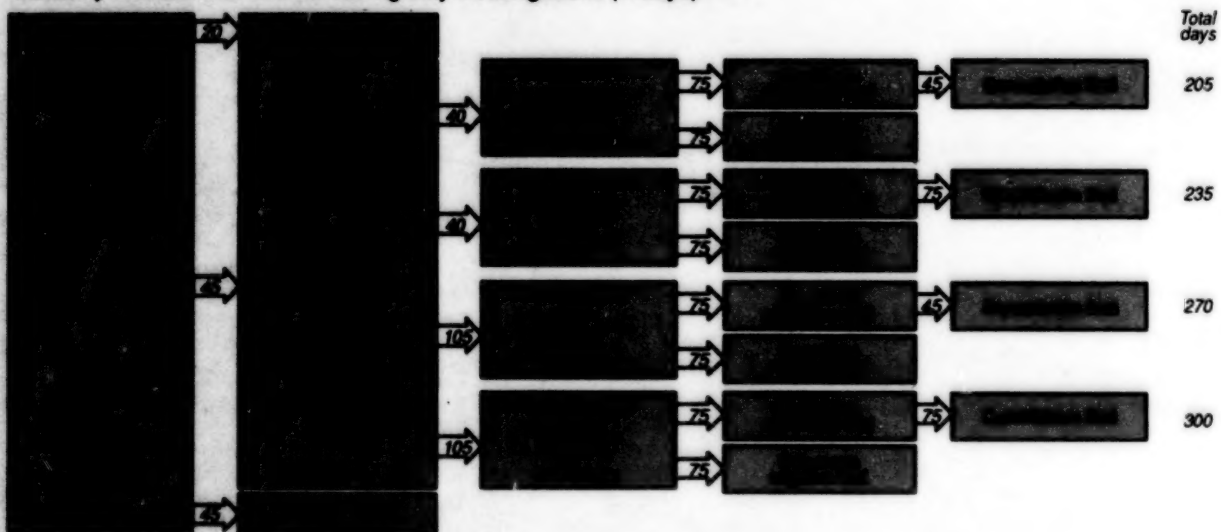
The Commission	The ITC is composed of six Commissioners nominated by the President and confirmed by the Senate.
Office of the Secretary	Compiles and maintains the Commission's official records and receives petitions and briefs.
Office of the Administrative Law Judges	Hears and decides unfair trade practice cases brought under section 337 of the Tariff Act of 1930.
Office of Congressional Affairs	Coordinates activities between the Commission and Congress and responds to inquiries from congressional offices.
Office of Public Affairs	Advises Commissioners and senior staff in public relations matters and plans and administers the media relations program.
Office of Executive and Intergovernmental Liaison	Coordinates relations between the Commission and the United States Trade Representative and other executive branch offices.
Office of the General Counsel	The Commission's principal legal advisor, responsible for litigation, input on investigations, and reports on proposed legislation.
Office of Inspector General	Directs and carries out audits and investigations of Commission programs and operations.
Director of Operations	Supervises all substantive work of the Offices of Investigations, Industries, Economics, Tariff Affairs and Trade Agreements, and Unfair Import Investigations, and the Trade Remedy Assistance Office.
Office of Economics	Provides economic analyses to help the Commission investigate the effects of U.S. foreign trade on domestic production, employment, and consumption and provide expert advice to Congress and the President on international economic issues.
Office of Industries	Provides technical and economic information and assessments of U.S. industries and merchandise trade.
Office of Investigations	Coordinates the Commission's countervailing duty, antidumping, and review investigations, escape clause and market disruption investigations, and investigations under section 22 of the Agricultural Adjustment Act.
Office of Tariff Affairs and Trade Agreements	Prepares reports on tariff legislation, publishes U.S. tariff schedule, chairs import-export statistical committee, and participates in Harmonized System Committee.
Office of Unfair Import Investigations	Participates in all investigations conducted under section 337 of the Tariff Act of 1930.
Trade Remedy Assistance Office	Provides information to the public on remedies and benefits available under U.S. trade laws and offers technical assistance to eligible small businesses seeking relief under the trade remedy laws.
Director of Administration	Supervises support services of the Commission, which include Library Services and the Office of Finance and Budget, Management Services, Information Resource Management, and Personnel.
Office of Finance and Budget	Responsible for the budget, payroll, and accounting functions.
Office of Information Systems Management	Provides information services and resources through the ongoing activities of its three divisions—Computer Services, Statistical Services, and Applications Development.
Office of Management Services	Coordinates mail, supply, and building maintenance services and editorial, design, printing, and procurement functions.
Office of Personnel	Recruits, places, and trains employees and administers position classification, benefits, employee relations, and labor relations programs.
Library Services	Provides library services (other than law) through the National Library of International Trade.

FIGURE 3
STATUTORY TIMETABLES FOR ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS

Statutory timetable for antidumping investigations (in days)



Statutory timetable for countervailing duty investigations (in days)



APPENDIXES

Appendix A

Summary of Investigations Completed During Fiscal Year 1991 and
Pending on September 30, 1991

Table 1

General investigations of trade and tariff matters completed under secs. 332, 503, and 131 of the Tariff Act of 1930, fiscal year 1991

	Origin	USITC publication	
		No.	Date
General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	2422	September 1991
	General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	2423	September 1991
General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	2345	December 1990
General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	2399	October 1990
General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	2327	October 1990
General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	2351	January 1991
General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	(?)	(?)
General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	2406	September 1991
General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 503 of the Tariff Act of 1930, fiscal year 1991	2339	December 1990
General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 131 of the Tariff Act of 1930, fiscal year 1991	2327	September 1990
General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	General investigation of trade and tariff matters completed under sec. 332 of the Tariff Act of 1930, fiscal year 1991	2327	January 1991

See footnotes at end of table.

Table 1—Continued

General investigations of trade and tariff matters completed under secs. 332, 503, and 131 of the Tariff Act of 1930, fiscal year 1991

	Source	USITC publication	
		No.	Date
	Request from the Committee on Finance, U.S. Senate	2319	September 1990
	Request from the United States Trade Representative	2337	December 1990
	Request from the United States Trade Representative	Confidential	October 1990
	Request from the Committee on Ways and Means, U.S. House of Representatives and the Committee on Finance, U.S. Senate	2365	February 1991
	Request under the Caribbean Basin Economic Recovery Act and the Customs and Trade Act of 1990	2381	May 1991
	Request from the United States Trade Representative	Confidential	January 1991
	Request from the Committee on Finance, U.S. Senate	2402	January 1991
	Request from the Committee on Finance, U.S. Senate	2439 2440 (Summary report)	October 1991 October 1991

See footnotes at end of table.

General investigations of trade and tariff matters completed under secs. 332, 503, and 131 of the Tariff Act of 1930, fiscal year 1991

⁶ Confidential report was sent to USTR on 6-14-91. The addendum to that report was sent on 8-1-91.

Table 2

General investigations of trade and tariff matters under secs. 332, 503, and 131 of the Tariff Act of 1930 and sec. 1205 of the Omnibus Trade and Competitiveness Act of 1988 pending on Sept. 30, 1991

	DTTC publication	Date	
		No.	
1	1990	1990	December 1990
	1990	1990	June 1991
	1990	1990	January 1991
	1990	1990	March 1991
	1990	1990	June 1991
	(1)	(1)	(1)
	1990	1990	October 1990
	1990	1990	November 1990
	1990	1990	December 1990
	1990	1990	January 1991
	1990	1990	February 1991
	1990	1990	March 1991
	1990	1990	April 1991
	1990	1990	May 1991
	1990	1990	June 1991
	1990	1990	July 1991
	1990	1990	August 1991
	1990	1990	September 1991
	1990	1990	October 1990
	1990	1990	November 1990
	1990	1990	December 1990
	1990	1990	January 1991
	1990	1990	February 1991
	1990	1990	March 1991
	1990	1990	June 1991
	1990	1990	September 1991
	1990	1990	September 1991

See footnotes at end of table.

Table 2—Continued

General investigations of trade and tariff matters under secs. 332, 503, and 131 of the Tariff Act of 1930 and sec. 1205 of the Omnibus Trade and Competitiveness Act of 1988 pending on Sept. 30, 1991

	Origin	USITC publication	
		No.	Date
	Instituted by the Commission on its own motion	2348 (Summary report) 2385	January 1991 March 1991
	Presidential Proclamation 5718	Confidential	March 1991
	Request from the Committee on Trade and Markets, U.S. House of Representatives and the Committee on Finance, U.S. Senate	2388	March 1991
	Request from the United States Trade Representative	(1)	(1)
	Request from the United States Trade Representative	(1)	(1)
	Request from the United States Trade Representative	Confidential	August 1991
	Request from the United States Trade Representative	(1)	(1)
	Request from the United States Trade Representative	(1)	(1)
	Request from the United States Trade Representative	(1)	(1)
	Request from the United States Trade Representative	(1)	(1)

See footnotes at end of table.

Table 2—Continued

General investigations of trade and tariff matters under secs. 332, 503, and 131 of the Tariff Act of 1930 and sec. 1205 of the Omnibus Trade and Competitiveness Act of 1988 pending on Sept. 30, 1991

	Title	USITC publication	
		No.	Date
	Report of the Committee on Ways and Means, U.S. House	(1)	(1)
	Report of the Committee on Ways and Means, U.S. House	(1)	(1)

¹ Not applicable.

² In response to a Committee on Ways and Means request to change the frequency of reports on the status of the steel industry, the title was changed to "Quarterly Report on the Status of the Steel Industry."

Table 3

Investigations completed under sec. 337 of the Tariff Act of 1930, fiscal year 1991

	Complaint filed	Notice of initiation	Public hearing	Finding and remedy of Commission	Date orders issued	USITC publication no.
	8-21-90 (1)	8-21-90	(1)	Terminated; no violation	10-9-90	(1)
	8-21-90 (1)	8-21-90	(1)	Dismissed ²	9-14-91	2416
	8-21-90 (1)	10-20-90	(1)	Violation ²	10-22-90	2417
	8-21-90 (1)	8-21-90	(1)	Terminated; no violation	8-18-91	2418
	8-21-90 (1)	8-21-90	(1)	Terminated ²	11-14-90	(1)
	8-21-90 (1)	8-21-90	(1)	Violation ²	4-9-91	2420
	8-21-90 (1)	8-21-90	(1)	Terminated ²	8-13-91	(1)

See footnotes at end of table.

Table 3—Continued

Investigations completed under sec. 337 of the Tariff Act of 1930, fiscal year 1991



¹ Not applicable.

² Dismissed for mootness and vacated initial determination.

³ Limited exclusion order. President took no action; became final 12-21-90.

⁴ Consent order.

⁵ General and limited exclusion order. President took no action; became final 6-10-91.

⁶ Settlement agreement.

⁷ Limited exclusion order and cease and desist order. Presidential review period not over at end of fiscal year.

Investigations under sec. 337 of the Tariff Act of 1930 pending on Sept. 30, 1991

Case No.	Case Name	Case Date
1	1-1-61	1-1-61
2	1-1-61	1-1-61
3	1-1-61	1-1-61
4	1-1-61	1-1-61
5	1-1-61	1-1-61
6	1-1-61	1-1-61
7	1-1-61	1-1-61
8	1-1-61	1-1-61
9	1-1-61	1-1-61
10	1-1-61	1-1-61
11	1-1-61	1-1-61
12	1-1-61	1-1-61
13	1-1-61	1-1-61
14	1-1-61	1-1-61
15	1-1-61	1-1-61
16	1-1-61	1-1-61
17	1-1-61	1-1-61
18	1-1-61	1-1-61
19	1-1-61	1-1-61
20	1-1-61	1-1-61
21	1-1-61	1-1-61
22	1-1-61	1-1-61
23	1-1-61	1-1-61
24	1-1-61	1-1-61
25	1-1-61	1-1-61
26	1-1-61	1-1-61
27	1-1-61	1-1-61
28	1-1-61	1-1-61
29	1-1-61	1-1-61
30	1-1-61	1-1-61
31	1-1-61	1-1-61
32	1-1-61	1-1-61
33	1-1-61	1-1-61
34	1-1-61	1-1-61
35	1-1-61	1-1-61
36	1-1-61	1-1-61
37	1-1-61	1-1-61
38	1-1-61	1-1-61
39	1-1-61	1-1-61
40	1-1-61	1-1-61
41	1-1-61	1-1-61
42	1-1-61	1-1-61
43	1-1-61	1-1-61
44	1-1-61	1-1-61
45	1-1-61	1-1-61
46	1-1-61	1-1-61
47	1-1-61	1-1-61
48	1-1-61	1-1-61
49	1-1-61	1-1-61
50	1-1-61	1-1-61
51	1-1-61	1-1-61
52	1-1-61	1-1-61
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55	1-1-61	1-1-61
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59	1-1-61	1-1-61
60	1-1-61	1-1-61
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64	1-1-61	1-1-61
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66	1-1-61	1-1-61
67	1-1-61	1-1-61
68	1-1-61	1-1-61
69	1-1-61	1-1-61
70	1-1-61	1-1-61
71	1-1-61	1-1-61
72	1-1-61	1-1-61
73	1-1-61	1-1-61
74	1-1-61	1-1-61
75	1-1-61	1-1-61
76	1-1-61	1-1-61
77	1-1-61	1-1-61
78	1-1-61	1-1-61
79	1-1-61	1-1-61
80	1-1-61	1-1-61
81	1-1-61	1-1-61
82	1-1-61	1-1-61
83	1-1-61	1-1-61
84	1-1-61	1-1-61
85	1-1-61	1-1-61
86	1-1-61	1-1-61
87	1-1-61	1-1-61
88	1-1-61	1-1-61
89	1-1-61	1-1-61
90	1-1-61	1-1-61
91	1-1-61	1-1-61
92	1-1-61	1-1-61
93	1-1-61	1-1-61
94	1-1-61	1-1-61
95	1-1-61	1-1-61
96	1-1-61	1-1-61
97	1-1-61	1-1-61
98	1-1-61	1-1-61
99	1-1-61	1-1-61
100	1-1-61	1-1-61

See footnotes at end of table.

Table 4—Continued

Investigations under sec. 337 of the Tariff Act of 1930 pending on Sept. 30, 1991

	Complaints	Complaints filed	Federal Register notice date
[REDACTED]	[REDACTED]	6-21-91	7-31-91
[REDACTED]	[REDACTED]	8-10-91; 8-20-91 and 8-12-91 (amendments)	8-25-91

¹ Suspended until completion of posttrial briefing in civil action case.

Table 5

Countervailing duty investigations completed under sec. 701 of the Tariff Act of 1930,
fiscal year 1991

Case No.	Commodity	Country of Origin	Date of Initiation	Date of Completion	Status	Views on Remand	Views on Second Remand	Views on Both Remands	Recused Self	With Regard to Imports from India	With Regard to Imports from Israel
1											
2											
3											
4											
5											
6											
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99											
100											

¹ Not applicable.

² Views on remand.

³ Views on second remand.

⁴ For both views on remand and views on second remand.

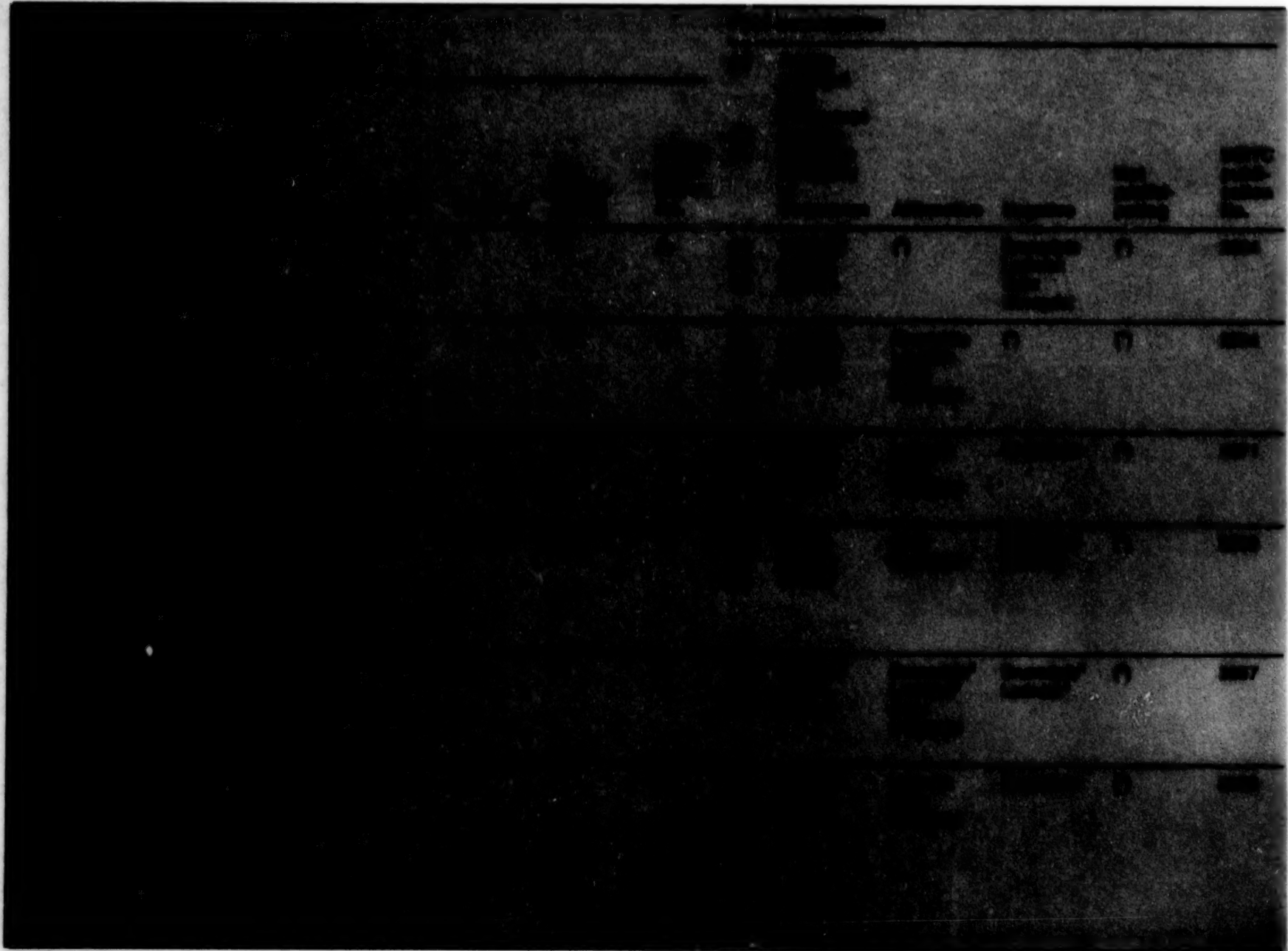
⁵ Recused self from investigation in order to avoid the possible appearance of conflict of interest.

⁶ With regard to imports from India.

⁷ With regard to imports from Israel.

Table 6

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991



See footnotes at end of table.

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

UNIT	DATE	TIME	LOCATION	REMARKS
101	10/10/50	10:00	101	101
102	10/10/50	10:00	102	102
103	10/10/50	10:00	103	103
104	10/10/50	10:00	104	104
105	10/10/50	10:00	105	105
106	10/10/50	10:00	106	106
107	10/10/50	10:00	107	107
108	10/10/50	10:00	108	108
109	10/10/50	10:00	109	109
110	10/10/50	10:00	110	110

See footnotes at end of table.

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

FILE

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See footnotes at end of table.

Table 6—Continued

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

See footnotes at end of table.

Table 6—Continued

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

Investigation No.	Preliminary Investigation				USITC publication No.	Final Investigation					USITC publication No.
	US Request initiated	USITC Report to Secretary of Commerce	Affirmative	Negative	Not participating	(a) Advice received from Commerce	(b) Hearing Report to Secretary of Commerce	(c) Affirmative	Negative	Not participating	
2362	1-10-91 ¹⁷	CC	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
2363	1-10-91 2-14-91 2-11-91	Brunelle Lodwick Rohr Mansueti	(¹)	(¹)	(¹)	2367	(¹)	(¹)	(¹)	(¹)	(¹)
2374	2-10-91 2-10-91 2-1-91	Mansueti Brunelle Lodwick Rohr	(¹)	(¹)	(¹)	2374	(¹)	(¹)	(¹)	(¹)	(¹)
2378	2-10-91 2-10-91 2-1-91	Brunelle ¹⁸ Lodwick ¹⁸ Rohr Mansueti	(¹)	(¹)	(¹)	2378	(¹)	(¹)	(¹)	(¹)	(¹)

See footnotes at end of table.

Table 6—Continued

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

Investigation No.	Preliminary investigation					Final investigation				
	(a) Request received	(b) Submissions	(c) Report to Secretary of Commerce	Affirmative	Negative	Not participating	USITC publication No.	(a) Advice received from Commerce	(b) Hearing Report to Secretary of Commerce	(c) USITC publication No.
2379	3-28-91	Lodwick	(1)	(1)	Brunsdale ²⁰	2379	(1)	(1)	(1)	(1)
	4-19-91	Pohr								
	5-13-91	Newsquist								
2388	4-16-91	Brunsdale	(1)	(1)		2388	(1)	(1)	(1)	(1)
	5-2-91	Lodwick								
	5-3-91	Pohr								
		Newsquist								
2394	4-25-91	Brunsdale	(1)	(1)		2394	(1)	(1)	(1)	(1)
	5-15-91	Lodwick								
	5-16-91	Pohr								
		Newsquist								
2395	4-25-91	Brunsdale	(1)	(1)		2395	(1)	(1)	(1)	(1)
	5-16-91	Lodwick								
	5-16-91	Pohr								
		Newsquist								
2396	4-30-91	Brunsdale	(1)	(1)		2396	(1)	(1)	(1)	(1)
	5-21-91	Lodwick								
	5-14-91	Pohr								
		Newsquist								
2400	5-21-91	Brunsdale	(1)	(1)		2400	(1)	(1)	(1)	(1)
	5-11-91	Lodwick								
	7-5-91	Pohr								
		Newsquist								
2401	5-22-91	Brunsdale	(1)	(1)		2401	(1)	(1)	(1)	(1)
	5-12-91	Lodwick								
	7-5-91	Pohr								
		Newsquist								

See footnotes at end of table.

Table 6—Continued

Antidumping investigations completed under sec. 731 of the Tariff Act of 1930, fiscal year 1991

Investigation	Final investigation	(a)	(b)	(c)	USITC publication No.	Affirmative	Negative	Not participating	USITC publication No.
1-13-91	Strawmats	(1)	Rehr ²	2402	(1)	(1)	(1)	(1)	(1)
1-13-91	Strawmats	(1)	Lodwick Rehr Haupt	2406	(1)	(1)	(1)	(1)	(1)
1-13-91	(1)	(1)	Strawmats Lodwick Rehr Haupt	2409	(1)	(1)	(1)	(1)	(1)
1-13-91	(1)	(1)	(1)	2416	(1)	(1)	(1)	(1)	(1)
1-13-91	(1)	(1)	(1)	2428	(1)	(1)	(1)	(1)	(1)

¹ Not applicable.

² With respect to striking tools and digging tools.

³ With respect to striking, digging, and hewing tools.

⁴ With respect to hewing tools and bar tools.

⁵ With respect to bar tools.

⁶ With respect to oscillating fans.

⁷ With respect to ceiling fans.

⁸ Recused self from investigation to avoid the possible appearance of conflict of interest.

⁹ With respect to imports from India, the People's Republic of China, Taiwan, and Thailand.

¹⁰ With respect to imports from Chile.

¹¹ With respect to personal word processors (other than office typing systems).

¹² With respect to office typing systems.

¹³ With respect to imports from Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom.

¹⁴ With respect to imports from Belgium,

Finland, France, Germany, and the United Kingdom.

¹⁵ With respect to imports from Austria.

¹⁶ With respect to imports from Austria, Italy, the Netherlands, and Sweden.

¹⁷ Petition withdrawn 1-30-91.

¹⁸ With respect to imports from Yugoslavia.

¹⁹ With respect to imports from Germany.

²⁰ Did not participate in the investigation, because of a personal emergency.

Table 7

Countervailing duty investigation completed under sec. 303 of the Tariff Act of 1930,
fiscal year 1991

						Final Investigation				
Case No.	Complainant	Respondent	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.	USITC Publ- cation No.
303-TA-21	United States	Japan	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
303-TA-22	United States	Japan	(1)	(1)	3400	(1)	(1)	(1)	(1)	(1)

¹ Not applicable.

² Investigation No. 303-TA-21 was instituted in error. A notice to this effect was published in 55 F.R. 52108 (Dec. 19, 1990).

Table 8

Antidumping and countervailing duty investigations pending on Sept. 30, 1991

	Effective date
...	8-18-91
...	8-29-91
...	12-28-85
...	4-18-91
...	9-5-91
...	9-24-91
...	11-30-88
...	3-14-88
...	Court Remand 9-5-91
...	8-25-87
...	5-31-91
...	4-18-91
...	6-13-91
...	7-9-91
...	8-29-91
...	9-5-91
...	9-8-91
...	9-24-91

Table 9

Investigation completed under sec. 22 of the Agricultural Adjustment Act, fiscal year 1991

Investigation Number	Investigation Period	Investigation Completed	Public Hearing	Findings and recommendations	Date report was—		USTIC publication No.
					Submitted to President	Released by President	
	10-12-89	12-3-89	1-22-91	Commissioners Ludwick and R. W. advised the President that changed circumstances require modification of the present quota on peanuts, set forth in HTS of the United States. Also, that the quota should be temporarily increased to 300 million pounds of peanuts (shelled beats), to be entered, or withdrawn from warehouse for consumption, on or before July 31, 1991. Vice Chairman Brunsdale found that circum- stances requiring the quota on peanuts set forth in the HTS no longer exist; and that the quotas on imports of peanuts should be indefinitely suspended by the President. Commissioner Newquist recommended that the circumstances of the HTS have not changed and no action should be taken by President to either modify or terminate the quota on imports of peanuts.	3-22-91	3-25-91	2389

Appendix B

Statutes Involving the U.S. International Trade Commission

Key Statutes

Section 201, Trade Act of 1974 (Escape Clause Investigations), Import Relief for Domestic Industries

Section 201 provides a procedure whereby domestic industries seriously injured by increased imports can petition for import relief generally in the form of tariffs or quantitative restrictions. To be found eligible for relief under section 201, industries need not prove that an unfair trade practice exists, as is necessary under the antidumping and countervailing duty laws and section 337 of the Tariff Act of 1930. However, under section 201, a greater degree of injury — "serious" injury — must be found to exist, and imports must be a "substantial" cause (not less than any other cause) of that injury. In addition, relief under section 201, although temporary, should be tailored to the needs of the injured industry and should facilitate positive adjustment to import competition.

Criteria for import relief set forth under section 201 are based on article XIX of the General Agreement on Tariffs and Trade (GATT), an international agreement to which the United States is a signatory. Article XIX of the GATT is referred to as the escape clause, because it permits a country to "escape" temporarily from its obligations under the GATT with respect to a product when increased imports of that product are causing or are threatening to cause serious injury to domestic producers of a like or directly competitive product. Commission investigations under section 201 provide a basis for the President to invoke article XIX.

When: The Commission conducts investigations upon receipt of a petition from a firm, trade association, group of workers, or other entity representative of a domestic industry; upon receipt of a request from the President or the Office of the United States Trade Representa-

tive (USTR); upon receipt of a resolution of the House Committee on Ways and Means or the Senate Committee on Finance, or upon its own motion. The statute directs the Commission to determine whether a product is being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Duration: In general, the Commission must make its injury finding within 120 days and must transmit its report, together with any recommendations with respect to relief, within 180 days of receipt of the petition, request, resolution, or institution on its own motion.

Finding: If the Commission finding is affirmative, it must recommend a remedy to the President, who has discretion to provide import relief. Such relief may be in the form of a tariff increase, quantitative restrictions, or orderly marketing agreements.

Followup: The Commission reports on developments within an industry that has been granted import relief and advises the President of the probable economic effect on the industry of the reduction, modification, or termination of the relief in effect. At the conclusion of any relief action, the Commission is required to report to the President and Congress on the effectiveness of the relief action in facilitating the positive adjustment of the domestic industry to import competition. (For further information, see section 201 of the Trade Act of 1974, 19 U.S.C. 2251.)

Section 337, Tariff Act of 1930, Investigations of Unfair Practices in Import Trade

Under section 337, the Commission applies U.S. statutory and common law of unfair competition to the importation of products into and their sale in the United States. Section 337 declares unlawful un-

fair methods of competition and unfair acts in the importation and sale of products in the United States, the threat or effect of which is to destroy or substantially injure a domestic industry, prevent the establishment of such an industry, or restrain or monopolize trade and commerce in the United States. Section 337 also declares as unlawful per se infringement of a valid and enforceable U.S. patent, copyright, registered trademark, or mask work; no resulting injury need be found.

Section 337 investigations require formal evidentiary hearings in accordance with the Administrative Procedure Act (5 U.S.C. 551 et seq.). The hearings are held before an administrative law judge (ALJ). Parties to these investigations include complainants, respondents, and the Commission attorney representing the public. Following a hearing, the ALJ issues an initial determination on all issues in relation to violations of section 337. The Commission may exercise its right to review and may reverse the ALJ decision. Complainants may seek temporary relief pending final resolution of the case.

When: After receipt of a complaint under oath from an interested party or upon its own motion, the Commission conducts investigations to determine whether unfair methods of competition or unfair acts are occurring in the importation of articles into the United States or in their sale.

Duration: The investigation must be completed in no more than one year or, in a more complicated case, 18 months after the date of publication of notice of investigation in the *Federal Register*.

Finding: In general, if the Commission finds that the importation of such articles is such that the threat or effect is to destroy or substantially injure an industry, prevent the establishment of such an industry, or restrain or monopolize trade and commerce in the United States,

it may issue orders excluding the products from entry, directing the violating parties to cease and desist from certain actions, or both. However, in the case of importations that infringe a U.S. patent, copyright, registered trademark, or mask work, the Commission may issue an exclusion and/or cease and desist order without having to find a threat or effect to destroy or substantially injure an industry, prevent the establishment of such an industry, or restrain or monopolize trade and commerce. Commission orders become effective unless disapproved by the President for policy reasons within 60 days of issuance. Appeals of Commission orders are heard by the Court of Appeals for the Federal Circuit. Violators of Commission section 337 orders are liable for civil penalties of up to \$100,000 a day or twice the value of the imported articles. (For further information, see section 337 of the Tariff Act of 1930, 19 U.S.C. 1337.)

Title VII of the Tariff Act of 1930

Under title VII of the Tariff Act of 1930 (19 U.S.C. 1671, as added by the Trade Agreements Act of 1979), the Commission conducts preliminary and final investigations. Preliminary investigations determine whether there is a reasonable indication that a U.S. industry is materially injured or threatened with material injury, or the establishment of such an industry is materially retarded, by reason of imports being sold at less than fair value (dumped) or that are benefiting from foreign subsidies (subsidized). Final investigations determine whether a U.S. industry is in fact injured or threatened as described above. The U.S. Department of Commerce determines whether dumping or subsidies exist and, if so, the margin of dumping or amount of the subsidy.

For ease of reference, preliminary and final Commission countervailing duty investigations are referred to as "701" investigations, and preliminary and final Commission antidumping investigations are

referred to as "731" investigations, after the respective initial sections in the Tariff Act of 1930 for the countervailing duty and antidumping laws.

Section 703(a), Tariff Act of 1930 (Preliminary Countervailing Duty Investigations), Subsidized Imports

When: After the simultaneous filing of a proper petition with the Commission and the U.S. Department of Commerce, the Commission conducts investigations to determine, on the basis of the best information available to it at the time of the determination, (1) whether there is a reasonable indication that an industry is materially injured, or is threatened with material injury, or (2) whether the establishment of an industry is materially retarded, by reason of imports of the allegedly subsidized merchandise that is the subject of investigation by Commerce.

Duration: The investigation must be completed within 45 days of receipt of the petition.

Finding: If the Commission determination is affirmative, Commerce continues its investigation.

Section 705(b), Tariff Act of 1930 (Final Countervailing Duty Investigations), Subsidized Imports

When: After a preliminary determination by the Secretary of Commerce that imported products are subsidized, the Commission conducts an investigation to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the subsidized merchandise.

Duration: The investigation must usually be completed within 120 days after an affirmative preliminary determination by the Secretary of Commerce or within 45 days after an affirmative final determination by the Secretary of Commerce that a subsidy is being provided, whichever is later.

Finding: If the Commission determination is affirmative, the Secretary of Commerce issues a countervailing duty order. (For fur-

ther information, see section 701 et seq. of the Tariff Act of 1930, 19 U.S.C. 1671 et seq.)

Section 733(a), Tariff Act of 1930 (Preliminary Antidumping Investigations), Imports Marketed at Less Than Fair Value

When: After the simultaneous filing of a proper petition with the Commission and the U.S. Department of Commerce, the Commission conducts investigations to determine, on the basis of the best information available to it at the time of the determination, (1) whether there is a reasonable indication that an industry is materially injured, or is threatened with material injury, or (2) the establishment of an industry is materially retarded, by reason of imports of the allegedly dumped merchandise that is the subject of investigation by Commerce.

Duration: The investigation must be completed within 45 days of receipt of the petition.

Finding: If the Commission determination is affirmative, Commerce continues its investigation.

Section 735(b), Tariff Act of 1930 (Final Antidumping Investigations), Imports Marketed at Less Than Fair Value

When: After a preliminary determination by the Secretary of Commerce that imported products are being, or are likely to be, sold at less than fair value, the Commission conducts an investigation to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the dumped merchandise.

Duration: The investigation must usually be completed within 120 days after an affirmative preliminary determination by the Secretary of Commerce or within 45 days after an affirmative final determination by the Secretary of Commerce that the imported products are being, or are likely to be, sold at less than fair value, whichever is later.

Finding: If the Commission determination is affirmative, the

Secretary of Commerce issues an antidumping order. (For further information, see section 731 et seq. of the Tariff Act of 1930, 19 U.S.C. 1673 et seq.)

Section 332, Tariff Act of 1930, General Factfinding Investigations

When: Upon official request from the President, Congress, or the USTR, or upon its own motion, the Commission initiates a factfinding investigation on any matter involving tariffs or international trade. This broad provision allows the Commission to investigate trade matters of immediate concern to the Government and the public.

Duration: Unless otherwise directed, the Commission establishes an administrative deadline.

Finding: Unless the President or Congress directs otherwise, the Commission's final reports are made available to all interested parties, the general public, the President and executive departments, and Congress. (For further information, see section 332 of the Tariff Act of 1930, 19 U.S.C. 1332.)

Section 22, Agricultural Adjustment Act, Import Interference With Agricultural Programs

When: The Commission conducts investigations at the direction of the President to determine whether any products are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any loan, purchase, or other program or operation of the Department of Agriculture, including price-support programs for agricultural commodities or products thereof, or to reduce substantially the amounts of any product processed in the United States from such commodities or products. The Commission makes findings and recommendations to the President.

Finding: The President may restrict the imports in question by imposition of either quotas or import fees (not to exceed 50 percent of the imported product's value). (For further information, see section 22 of the Agricultural Adjustment Act, 7 U.S.C. 624.)

Other Areas of Involvement by Statute

Countervailing Duty Investigations Under Section 303 of the Tariff Act of 1930

In the case of countervailing duty investigations not covered by section 701 of the Tariff Act of 1930 that involve articles that enter free of duty, the Commission determines, with respect to any article that the Secretary of Commerce has determined is subsidized, whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the importation of such article. (For further information, see section 303, Tariff Act of 1930, 19 U.S.C. 1303.)

Caribbean Basin Economic Recovery Act

The Commission submits annual reports to Congress and the President on the economic impact on U.S. industries and consumers of the Caribbean Basin Economic Recovery Program. (For further information, see 19 U.S.C. 2704.)

Uniform Statistical Data

The Commission, in cooperation with the Secretary of the Treasury and the Secretary of Commerce, establishes for statistical purposes an enumeration of articles imported into the United States and exported from the United States and seeks to establish comparability of such statistics with statistical programs for domestic production. (For further information, see section 484(e), Tariff Act of 1930, 19 U.S.C. 1484(e).)

Harmonized Tariff Schedule of the United States Annotated

The Commission issues a publication containing the Harmonized Tariff Schedule (HTS) and related material and considers questions concerning the arrangement of the HTS and the classification of articles. (For further information, see section 1207 of the Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. 3007 and sections 332(A) and 484(e) of the Tariff Act of 1930, 19 U.S.C. 1484(e).)

Harmonized System Convention

The Commission has responsibility, along with the Department of the Treasury and the Department of Commerce, to represent the U.S. Government concerning the activities of the Customs Cooperation Council relating to the Harmonized System Convention and to formulate U.S. Government positions on technical and procedural issues relating to the Convention. (For further information, see section 1210 of the Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. 3010.)

In addition, the Commission is responsible for reviewing the HTS and for recommending to the President such modifications as it considers necessary or appropriate to conform the HTS with amendments to the Harmonized System Convention, to ensure that the HTS is kept up to date, and to alleviate unnecessary administrative burdens. (For further information, see section 1205 of the Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. 3005.)

Annual Report on the U.S. Trade Agreements Program

The Commission prepares for Congress and the interested public a "factual report on the operation of the trade agreements program." The report contains information on U.S. participation in multilateral and bilateral trade negotiations and agreements, as well as related material on foreign economic and trade developments and the administration of U.S. trade laws. (For further

information, see section 163(b), Trade Act of 1974, 19 U.S.C. 2213.)

Advice Concerning Trade Negotiations

The Commission advises the President as to the probable economic effect on domestic industries and consumers of modification of duties and other barriers to trade that may be considered for inclusion in any proposed trade agreement with foreign countries. (For further information, see section 131, Trade Act of 1974, 19 U.S.C. 2151.)

Generalized System of Preferences

With respect to articles that may be considered for duty-free treatment when imported from designated developing countries, the Commission advises the President as to the probable economic effect on the domestic industry and on consumers of the removal of duty. (For further information, see sections 131 and 503, Trade Act of 1974, 19 U.S.C. 2151, 2163.)

East-West Trade-Monitoring System

The Commission monitors imports into the United States from nonmarket economy countries and prepares a report at least once each calendar quarter on the effect of such imports on the production of like or directly competitive articles in the United States and on employment within the industry. (For further information, see section 410, Trade Act of 1974, 19 U.S.C. 2440.)

Trade With Communist Countries

The Commission determines whether imports of an article produced in a Communist country cause market disruption in the United States. In general, if the Commission determination is in the affirmative, the President may take the same action as in a case involving injury to an industry under section 201 of the Trade Act of 1974, except that the action would apply only to imports of the product from the Communist country. (For further information, see section 406, Trade Act of 1974, 19 U.S.C. 2436.)

Appendix C

Reports Submitted to Congress on Proposed Legislation, Fiscal Year 1991

The following are legislative bill reports prepared by the Commission for the House Committee on Ways and Means and the Senate Committee on Finance. The dates shown at the end of each item indicate when the report was forwarded to Congress.

Reports Submitted to the House On Proposed Legislation

1. H.R. 186 (Mr. Rangel) — To amend the Harmonized Tariff Schedule of the United States to increase the duty-free tourist allowance with respect to articles acquired in Bermuda. April 23, 1991.
2. H.R. 541 (Mr. Gradison) — Relating to the suspension of duty on certain chemicals. April 16, 1991.
3. H.R. 570 (Mr. Green) — Regarding certain entries of N-acetylsufanilyl chloride. June 6, 1991.
4. H.R. 584 (Mr. Rinaldo) — To extend the temporary suspensions of duty on certain oxygen-function amino compounds. April 18, 1991.
5. H.R. 661 (Mr. Crane) — To provide special benefits for the Andean nations. July 10, 1991.
6. H.R. 715 (Mr. Carper) — To suspend until January 1, 1994, the duty on o-benzyl-p-chlorophenol. April 10, 1991.
7. H.R. 716 (Mr. Carper) — To extend the existing temporary suspension of duty on fusilade. April 23, 1991.
8. H.R. 746 (Mr. Nagle) — To extend until January 1, 1995, the existing suspension of duty on certain sulfonamides. July 3, 1991.
9. H.R. 753 (Mr. Torricelli) — To suspend temporarily the duty on certain multifilament yarns of viscose rayon until January 1, 1994. August 9, 1991.
10. H.R. 833 (Mr. Vander Jagt) — To extend until December 31, 1995, the temporary suspension of duties on certain clock radios. May 13, 1991.
11. H.R. 834 (Mr. Vander Jagt) — To extend until December 31, 1995, the existing temporary suspension of the duty on diphenyldichlorosilane and phenyltrichlorosilane. June 11, 1991.
12. H.R. 970 (Mr. Horton) — To amend the Harmonized Tariff Schedule of the United States to clarify the classification of certain paper used in photography. June 21, 1991.
13. H.R. 979 (Mr. Applegate) — To suspend temporarily the duty on Diaphone V. May 23, 1991.
14. H.R. 996 (Mr. Hatcher) — To suspend temporarily the duty on fluometuron and IBTF. July 21, 1991.
15. H.R. 1032 (Mr. Vander Jagt) — To extend until January 1, 1994, the existing suspension of duty on 3-ethylamino-p-cresol. June 21, 1991.
16. H.R. 1033 (Mr. Vander Jagt) — To extend until January 1, 1994, the existing suspension of duty on sethoxydim. June 26, 1991.
17. H.R. 1034 (Mr. Vander Jagt) — To extend until January 1, 1994, the existing suspension of duty on β -naphthol. June 21, 1991.
18. H.R. 1035 (Mr. Vander Jagt) — To extend until January 1, 1994, the existing suspension of duty on diamino imid sp. June 10, 1991.
19. H.R. 1036 (Mr. Vander Jagt) — To suspend temporarily the duty on Pigment Blue 60. July 3, 1991.
20. H.R. 1037 (Mr. Vander Jagt) — To suspend temporarily the duty on Pigment Blue 16. July 3, 1991.
21. H.R. 1053 (Mr. Bliley) — To extend until January 1, 1993, the existing suspension of duty on 1-(3-sulfopropyl)pyridinium hydroxide. June 6, 1991.
22. H.R. 1071 (Mr. Matsui) — For the relief of certain importers, wholesalers, and users of industrial fasteners. May 23, 1991.
23. H.R. 1094 (Mr. Vander Jagt) — To extend until January 1, 1996, the suspension of duty on certain clock radios. May 23, 1991.
24. H.R. 1102 (Mr. Matsui) — To make a technical correction to the Omnibus Trade and Competitiveness Act of 1988 to provide for the reliquidation of certain petroleum products. June 17, 1991.
25. H.R. 1139 (Mr. Jacobs) — To suspend temporarily the duty on certain composite diagnostic or laboratory reagents. June 26, 1991.
26. H.R. 1211 (Mr. Slaughter) — To amend the Harmonized Tariff Schedule of the United States to change the rate of duty for certain bicycles. June 10, 1991.

27. H.R. 1267 (Mr. Solomon) — To extend until January 1, 1995, the existing suspension of duty on 6-amino-1-naphthol-3-sulfonic acid.
August 7, 1991.
28. H.R. 1498 (Mr. Archer) — To amend the Harmonized Tariff Schedule of the United States to clarify the classification of mixed alkylbenzenes.
July 3, 1991.
29. H.R. 1529 (Mr. Torricelli) — To extend until January 1, 1995, the suspension of duties on certain chemicals.
June 26, 1991.
30. H.R. 1530 (Mr. Torricelli) — To extend duty-free treatment to certain chemicals.
September 30, 1991.
31. H.R. 1559 (Mr. Gibbons) — To prohibit the importation of semiautomatic assault weapons, large-capacity ammunition-feeding devices, and certain accessories.
October 10, 1991.
32. H.R. 1567 (Mr. Levine) — To suspend temporarily the duty on certain machined electric connector contact parts.
July 12, 1991.
33. H.R. 1610 (Mr. Huckaby) — Entitled the "Rice Fair Trade Act of 1991."
July 17, 1991.
34. H.R. 1614 (Mr. Jenkins) — To provide for the tariff reclassification of durene.
August 7, 1991.
35. H.R. 1616 (Mr. Jenkins) — To extend the existing suspension of duty on crude feathers and down.
July 19, 1991.
36. H.R. 1617 (Mr. Jenkins) — To extend the temporary suspension of duties for hosiery-knitting machines, hosiery-knitting machine parts, hosiery-knitting needles, and to include in the suspension other hosiery-knitting machine parts used in forming stitches.
September 11, 1991.
37. H.R. 1619 (Mr. Johnson) — To suspend temporarily the duty on N-[[[4-chlorophenyl)-amino]carbonyl]-2,6-difluorobenzamide.
June 25, 1991.
38. H.R. 1701 (Mr. Lancaster) — To extend until January 1, 1999, the existing suspension of duty on Cefixime.
June 26, 1991.
39. H.R. 1732 (Mr. Hutto) — To extend the existing suspension of duty on chemical light activator blend.
June 26, 1991.
40. H.R. 1740 (Mr. Manton) — To continue the suspension of duties on certain power-driven flatbed knitting machines and on certain knitting machines designed for sweater strip or garment-length knitting.
September 11, 1991.
41. H.R. 1748 (Mr. Rinaldo) — To suspend temporarily the duty on Ethanone-1, 2-naphthyl.
July 19, 1991.
42. H.R. 1749 (Mr. Russo) — To correct the tariff rate inversion on certain iron and steel pipe and tube products.
June 26, 1991.
43. H.R. 1762 (Mr. Gilman) — To suspend until January 1, 1995, the duty on beta lactamase inhibitor (Tazobactam).
July 19, 1991.
44. H.R. 1766 (Mr. Gilman) — To extend until December 31, 1996, the temporary suspension of duties on 7-acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene.
August 7, 1991.
45. H.R. 1772 (Mr. Vander Jagt) — To extend the existing suspension of duty on bendiocarb and to provide retroactive application to such duty suspension.
June 17, 1991.
46. H.R. 1786 (Mr. Crane) — To extend the existing suspension of duty on fresh, chilled, or frozen brussels sprouts, and for other purposes.
July 19, 1991.
47. H.R. 1803 (Mr. Mollohan) — To extend the existing suspension of duty on 6-tert-butyl-2,4-xyleneol.
August 7, 1991.
48. H.R. 1806 (Mr. Mollohan) — To suspend temporarily the duty on certain heterocyclic compounds.
September 11, 1991.
49. H.R. 1832 (Mr. Santorum) — To suspend temporarily the duty on certain chemicals, and for other purposes.
August 7, 1991.
50. H.R. 1862 (Mr. Dwyer) — To extend the existing suspension of duty on D-carboxamide.
August 7, 1991.
51. H.R. 1869 (Mr. Hatcher) — To suspend temporarily the duty on fluometuron and IBTF.
July 19, 1991.
52. H.R. 1876 (Mrs. Kennelly) — To suspend until January 1, 1995, the duty on ceramic (nonporcelain) mugs.
August 14, 1991.
53. H.R. 1979 (Mr. Ravenel) — To suspend until January 1, 1996, the duty on dimethyl succinyl succinate.
September 11, 1991.

Reports Submitted to the Senate On Proposed Legislation

1. S. 1281 (Mr. Glenn)—To amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes.
October 24, 1990.
2. S. 1597 (Mr. Bradley)—To provide temporary duty-free treatment for certain chemicals.
October 9, 1990.
3. S. 2064 (Mr. Moynihan)—To amend the Harmonized Tariff Schedule of the United States to change the rate of duty applicable to certain bicycles.
October 31, 1990.
4. S. 2126 (Mr. Danforth)—To continue the temporary suspension of the duty on terfenadone.
October 31, 1990.
5. S. 2127 (Mr. Danforth)—To continue the temporary suspension of duty on nicotine resin complex.
October 31, 1990.
6. S. 2133 (Mr. Johnston)—To suspend for a three-year period the duty on C-amines.
October 24, 1990.
7. S. 2220 (Mr. Bradley)—To extend the existing suspension of duty on graphite.
October 9, 1990.
8. S. 2550 (Mr. Symms)—To extend the temporary duty suspension on certain entertainment broadcast band receivers.
October 24, 1990.
9. S. 42 (Mr. Moynihan)—To amend the Harmonized Tariff Schedule of the United States to clarify the classification of linear alkylbenzene-sulfonic acid.
April 22, 1991.
10. S. 43 (Mr. Moynihan)—To amend the Harmonized Tariff Schedule of the United States to change the rate of duty for certain bicycles.
April 5, 1991.
11. S. 271 (Mr. Roth)—To continue until January 1, 1995, the suspension of duty on o-Benzyl-p-chlorophenol.
April 10, 1991.
12. S. 275 (Mr. Dole)—To provide for the implementation of a tariff preference regime affecting certain articles from Andean countries, and for other purposes.
July 10, 1991.
13. S. 405 (Mr. Mitchell)—To amend the Harmonized Tariff Schedule of the United States to exclude certain footwear assembled in beneficiary countries from duty-free treatment.
May 23, 1991.
14. S. 406 (Mr. Thurmond)—To extend the temporary suspension of duty on Paramine Acid.
June 6, 1991.
15. S. 407 (Mr. Thurmond)—To extend the temporary suspension of duty on Trimethyl Base.
June 10, 1991.
16. S. 408 (Mr. Thurmond)—To extend the temporary suspension of duty on anthraquinone.
June 10, 1991.
17. S. 409 (Mr. Thurmond)—To temporarily suspend the duty on dimethyl succinyl succinate.
September 11, 1991.
18. S. 410 (Mr. Thurmond)—To temporarily suspend the duty on Resolin Red F3BS components I and II.
June 10, 1991.
19. S. 411 (Mr. Thurmond)—To temporarily suspend the duty on pentachlorothiophenol.
May 23, 1991.
20. S. 412 (Mr. Thurmond)—To temporarily suspend the duty on certain chemicals.
May 23, 1991.
21. S. 435 (Mr. Johnston)—To suspend for a three-year period the duty on diamino imid sp.
June 10, 1991.
22. S. 437 (Mr. Johnston)—To suspend for a three-year period the duty on sethoxydim.
June 26, 1991.
23. S. 438 (Mr. Johnston)—To suspend for a three-year period the duty on 3-ethylamino-p-cresol.
June 21, 1991.
24. S. 439 (Mr. Johnston)—To suspend for a three-year period the duty on 6-amino-1-naphthol-3-sulfonic acid.
August 7, 1991.
25. S. 440 (Mr. Johnston)—To suspend for a three-year period the duty on β -naphthol.
June 21, 1991.
26. S. 441 (Mr. Johnston)—To suspend for a three-year period the duty on rosachloride lumps.
May 24, 1991.
27. S. 442 (Mr. Johnston)—To suspend temporarily the duty on Pigment Blue 60.
July 3, 1991.
28. S. 443 (Mr. Johnston)—To suspend temporarily the duty on Pigment Blue 16.
July 3, 1991.
29. S. 494 (Mr. Heinz)—To temporarily suspend the duty on 4,5-dichloro-2-n-octyl-4-isothiazolin-3-one.
May 23, 1991.
30. S. 495 (Mr. Heinz)—To extend the temporary duty suspension for certain articles.
July 3, 1991.
31. S. 496 (Mr. Heinz)—To temporarily suspend the duty on cyclopentenyl-oxyethyl methacrylate.
July 3, 1991.

32. S. 497 (Mr. Heinz)—To temporarily suspend the duty on 2-methyl-4-isothiazolin-3-one. June 17, 1991.
33. S. 524 (Mr. Roth)—To temporarily suspend the duty on Bendiocarb. June 17, 1991.
34. S. 569 (Mr. Helms)—To temporarily suspend the duty on N-[[[(4-chlorophenyl)amino]carbonyl]-2,6-difluorobenzamide. June 25, 1991.
35. S. 703 (Mr. Heinz)—To amend the Harmonized Tariff Schedule of the United States to correct the tariff rate inversion on certain iron and steel pipe and tube products. June 26, 1991.
36. S. 704 (Mr. Heinz)—To provide for the temporary suspension of duty on certain chemicals, and for other purposes. July 14, 1991.
37. S. 705 (Mr. Heinz)—To suspend temporarily the duty on certain chemicals, and for other purposes. August 7, 1991.
38. S. 706 (Mr. Heinz)—To extend the temporary duty suspension on certain knitting machines and parts, and for other purposes. September 11, 1991.
39. S. 750 (Mr. Bentsen)—To make technical corrections relating to the Revenue Reconciliation Act of 1990, and for other purposes. August 7, 1991.
40. S. 763 (Mr. Lugar)—To suspend temporarily the duty on certain composite diagnostic or laboratory reagents. June 26, 1991.
41. S. 789 (Mr. Moynihan)—To prohibit the importation of semiautomatic assault weapons, large-capacity ammunition-feeding devices, and certain accessories. October 10, 1991.
42. S. 853 (Mr. Daschle)—To suspend temporarily the duty on ceramic (nonporcelain) mugs. August 14, 1991.
43. S. 1052 (Mr. Roth)—To extend the temporary suspension of duty on 7-acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene. August 7, 1991.
44. S. 1308 (Mr. Rockefeller)—To suspend temporarily the duty on certain heterocyclic compounds. September 11, 1991.

Appendix D

Litigation in Fiscal Year 1991

Litigation Completed

Appeals Arising From Anti-dumping and Countervailing Duty Investigations

Cambridge Lee Industries, Inc. v. United States, Ct. No. 88-09-00714; *Metallwerken Nederland B.V. v. United States*, Ct. No. 88-09-00711 (Court of International Trade)

In these related cases, the U.S. Court of International Trade (CIT), after remand for correction of a particular finding by one Commissioner, upheld the Commission's affirmative determinations in investigations Nos. 731-TA-379 and 380, *Certain Brass Sheet and Strip From Japan and the Netherlands*. Among other holdings, the Court sustained the Commission's interpretation of the statutory provision mandating that an evenly divided vote of the Commission is deemed an affirmative determination, the Commission's discretion in choosing the period it investigates, and the view that the mere existence of underutilized foreign capacity can be probative of threat of material injury.

Fresh, Chilled, or Frozen Pork From Canada, USA 89-1904-11 (United States-Canada Binational Panel Review)

The binational panel effectively overturned the Commission's affirmative determination in *Fresh, Chilled, or Frozen Pork From Canada* (701-TA-298 (final)). After a first remand needed to correct the effects of reliance on inaccurate data, the panel barred the Commission from considering certain new evidence gathered in the remand proceeding and held that substantial evidence could not support a finding of a likelihood of product shifting, of price suppression, or of an increase in imports. The Commission determined that the panel's opinion required a change in outcome. An extraordinary challenge committee, convened at the request of the panel, declined to upset the panel's decision.

Iwatsu Electric Co. v. United States, Ct. No. 90-01-00016 (Court of International Trade)

The CIT affirmed the Commission's affirmative determinations in *Certain Telephone Systems and Subassemblies Thereof From Japan and Taiwan* (731-TA-426 and 428 (final)) and *Certain Telephone Systems and Subassemblies Thereof From Korea* (731-TA-427 (final)). The court rejected challenges to various findings underlying the Commission's determinations of material injury and causation. Among other holdings, the court stated that the subject imports could cause material injury even though the domestic industry's condition was largely attributable to its own cost structure.

Marsuda-Rodger International v. United States, Appeals Nos. 90-1298, 90-1316 (Court of Appeals for the Federal Circuit)

The U.S. Court of Appeals for the Federal Circuit reversed the decision of the CIT that had overturned the Commission's affirmative determination in *Tapered Roller Bearings and Parts Thereof and Certain Housings Incorporating Tapered Rollers From Hungary* (731-TA-341). The Federal Circuit held that, in finding that the Commission had erroneously cumulated imports in its causation analysis, the CIT had improperly disregarded overlapping sales and had erred in refusing to consider evidence of nonprice competition.

Matsushita Electric Industrial Co., Ltd. v. United States and the United States International Trade Commission, Appeals Nos. 91-1033, 91-1052 (Court of Appeals for the Federal Circuit)

The Federal Circuit reversed the Court of International Trade's decision to enjoin the Commission from disclosing, pursuant to administrative protective order (APO), business proprietary information to the general counsel/senior vice president/secretary for a respondent in the preliminary antidumping investigation of *High Information*

Flat Panel Displays From Japan (731-TA-469). The Federal Circuit found that the CIT conducted a de novo review rather than deciding whether the Commission's action was arbitrary, capricious, or an abuse of discretion. The Court of Appeals rejected the lower court's views that regular contacts with policymaking elements of a corporation make an applicant ineligible and held that the Commission's determination granting APO access was proper.

The Torrington Co. v. United States, Appeal No. 91-1084 (Court of Appeals for the Federal Circuit)

In this appeal, the CIT affirmed the Commission's determination on the issue of like product in *Certain Antifriction Bearings and Parts Thereof From the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and United Kingdom* (731-TA-391-399 and 303-TA-19-20) and entered separate judgment to allow immediate appeal of the issue. The Federal Circuit affirmed the lower court's decision that the Commission has the authority to determine which domestic products are "like products," even if the determination differs from the like product description in the petition to the Commission, and found that the Commission's determination in this case was supported by substantial evidence.

Appeals Arising From Investigations Under Section 337 of the Tariff Act of 1930

John D. Brush & Co., Inc. v. U.S. International Trade Commission, Appeal No. 90-1315 (Court of Appeals for the Federal Circuit)

The Court of Appeals for the Federal Circuit affirmed the Commission's termination of its investigation in *Certain Insulated Security Chests* (337-TA-291), holding that the Commission did not err in interpreting the patent claims and that substantial evidence supported the finding of no infringement.

Rosemount v. U.S. International Trade Commission, Appeal No. 90-1263 (Court of Appeals for the Federal Circuit)

The Court of Appeals affirmed the Commission's determination in *Certain Pressure Transmitters* (337-TA-304) denying Rosemount's motion for temporary relief in a proceeding under section 337. The Federal Circuit held that the Commission was not in error in determining that the presumption of irreparable harm, accorded to Rosemount by reason of the finding of a likelihood of success on the merits, was rebuttable by evidence of what actual injury was likely. The decision further affirmed the Commission's decision that the availability of damages in a district court suit precluded a finding of irreparable harm and that the public interest factors listed in 19 U.S.C. section 1337(e)(1) must be taken into account in deciding motions for temporary relief.

Intel Corp. v. U.S. International Trade Commission, Appeal No. 89-1459; **Atmel Corp. v. U.S. International Trade Commission**, Appeal No. 89-1476; **General Instrument Corp. and Microchip Technology Inc. v. U.S. International Trade Commission**, Appeal No. 89-1534 (Court of Appeals for the Federal Circuit)

The Federal Circuit, in deciding three appeals from the Commission's determination and orders in *Certain Erasable Programmable Read Only Memories, Components Thereof, Products Containing Such Memories, and Processes for Making Such Memories*, (EPROMs) (337-TA-276), affirmed the Commission's determination in part, reversed in part, and vacated in part. The court affirmed the Commission's findings of infringement and held that the Commission's order should reach an additional party

because the Commission interpretation of the doctrine of assignor estoppel was unduly restrictive.

Litigation Terminated

In addition to the cases discussed above, a number of cases were terminated during FY 1991 without final decisions on the merits, by court dismissal, voluntary dismissal by the plaintiff, or failure by the plaintiff to file a complaint after the service of a summons. These cases are listed below.

Avesta AB. v. United States, S. Ct. No. 90-971 (U.S. Supreme Court).

Brother Industries, Ltd. v. United States, Court No. 90-12-00644 (Court of International Trade).

Erbamont Inc. v. U.S. International Trade Commission, Appeal No. 91-1072 (Court of Appeals for the Federal Circuit).

Ipsco, Inc. v. United States, Court No. 86-07-00853 (Court of International Trade).

Ipsco, Inc. v. United States, Court No. 86-06-00753 (Court of International Trade).

Kalipharma, Inc., Purepac Pharmaceuticals Co., Istituto Biochimico Italiano Industria Giovanni Lorenzini and Institut Biochimique S.A. v. U.S. International Trade Commission, Appeal No. 90-1430 (Court of Appeals for the Federal Circuit).

Metallwerken Nederland B.V. v. United States, Appeal No. 90-1526 (Court of Appeals for the Federal Circuit).

Nakajima All Co., Ltd. v. United States, Court No. 90-12-00647 (Court of International Trade).

Seattle Marine and Fishing Supply Co. v. United States, Court No. 87-01-00136 (Court of International Trade).

Sodick, Inc., Sodick Co., Ltd., KGK International Corp., Yamazen USA,

Inc., and Bridgeport Machines, Inc. v. U.S. International Trade Commission, Appeal No. 90-1420 (Court of Appeals for the Federal Circuit).

Success Chemical Co., Ltd., and Steel's Sports Co. v. U.S. International Trade Commission, Appeal No. 91-1038 (Court of Appeals for the Federal Circuit).

Trade Associates, Inc. v. Makita Corp., Cause No. C-88-1028C (District Court for the Western District of Washington).

U.S. International Trade Commission v. MacWhyte Co., Misc. No. 91-190 (District Court for the District of Columbia).

Litigation Pending at the End of Fiscal Year 1991

Cases arising from antidumping and countervailing duty investigations ¹	34
Cases arising from section 337 determinations	8
Other litigation	3
Total	45

¹ All cases filed by different parties that challenge the same Commission determination or that have been consolidated by the court are counted only as a single piece of litigation. Thus, the actual number of complaints filed is greater than the number given above.

By comparison, at the end of fiscal year 1990, there were 31 pending cases arising from antidumping and countervailing duty investigations, eight arising from section 337 determinations, and three arising from other subjects, for a total of 42.

END

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